

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE CHANGE)
OF DOMICILE OF) ORDER
WATFORD INSURANCE COMPANY)

This matter having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”) pursuant to N.J.S.A. 17:1-15, and 17:17-20b, and all powers expressed or implied therein, and upon the application of Watford Insurance Company (“WIC” or “Company”) for approval to change its domicile from the State of New Jersey to the State of Missouri; and

IT APPEARING that WIC is a domestic stock insurer domiciled in the State of New Jersey, and a direct wholly owned subsidiary of Watford Specialty Insurance Company, which in turn is a direct wholly owned subsidiary of Watford Holdings (U.S.) Inc., which in turn is a direct wholly owned subsidiary of Watford Holdings (U.K.) Limited, which in turn is a direct wholly owned subsidiary of Somers Re Ltd., which in turn is a direct wholly owned subsidiary of Somers Group Holdings Ltd.; and

IT FURTHER APPEARING that Somers Group Holdings Ltd, is a direct wholly owned subsidiary of Greysbridge Holdings Ltd., which in turn is 40% owned by Arch Reinsurance Ltd. (and its ultimate parent, Arch Capital Group Ltd., and together with Arch Reinsurance Ltd. the “Arch Applicants”), 30% owned by WP Windstar Investments Ltd. (and together with the Applicants as defined in a prior New Jersey Department of Banking and Insurance (“Department”) Order A21-04, the “Warburg Pincus Applicants”), and 30% owned collectively by William

Holding 1, L.P., Kelso GP X (International), L.P., and Kelso GP X (International) Ltd. (together the “Kelso & Company Applicants”); and

IT FURTHER APPEARING that pursuant to N.J.S.A. 17:17–20b, a domestic insurer may, upon the written approval of the Commissioner, change its domicile to any state in which it is admitted to transact the business of insurance; and

IT FURTHER APPEARING that the Company has filed an application to change its domicile to the State of Missouri (“Redomestication”), a jurisdiction where the Company is admitted to transact the business of insurance; and

IT FURTHER APPEARING that the Redomestication is the result of the Company’s plan to align its state of domicile with that of affiliate, Arch Insurance Company (“AIC”), and to facilitate the approval of a proposed change of control¹; and

IT FURTHER APPEARING that the State of Missouri Department of Commerce & Insurance has issued a no objection letter regarding the proposed Redomestication; and

IT FURTHER APPEARING that the Department’s Orders Nos. A21–04, A21–05, A21–06 (“Approval Orders”), approved the acquisition of control of WIC by the Warburg Pincus Applicants, Kelso & Company Applicants, and Arch Applicants, respectively, subject to the conditions set forth therein; and

IT FURTHER APPEARING that the Redomestication constitutes a material change to the business in relation to condition 4 of the Approval Orders; and

¹ WIC represents that, pursuant to the terms of a Stock Purchase Agreement, Watford Specialty Insurance Company intends to sell all of the issued and outstanding shares of common stock of WIC to affiliate AIC (“Sale”). The Sale of WIC will take place after the redomestication is completed. Accordingly, the Sale will be subject to review and approval by the Missouri Department of Commerce & Insurance as WIC’s domiciliary regulator at the time of the change of control.

IT FURTHER APPEARING that in connection with the Company's request for Redomestication, the Warburg Pincus Applicants, Kelso & Company Applicants, and Arch Applicants have each requested the Department's approval of a material change in the business in relation to condition 4 of the Approval Orders; and

IT FURTHER APPEARING that the Company provided various documents to the Department for review in connection with its application to change its domicile, including a proposed business plan for its operations following the Redomestication, and application for admission in New Jersey as a foreign insurer; and

IT FURTHER APPEARING that there exist no facts or circumstances that provide any legal authority for the Commissioner to disapprove the Company's request to change its domicile to the State of Missouri; and

IT FURTHER APPEARING that the Company satisfies the requirements for the admission of a foreign insurer to transact the business of insurance in New Jersey prescribed by N.J.S.A. 17:32-1 et seq.

THEREFORE IT IS on this 8th day of December, 2023

ORDERED that the application of the Company to change its domicile to the State of Missouri is hereby approved, subject to the following conditions:

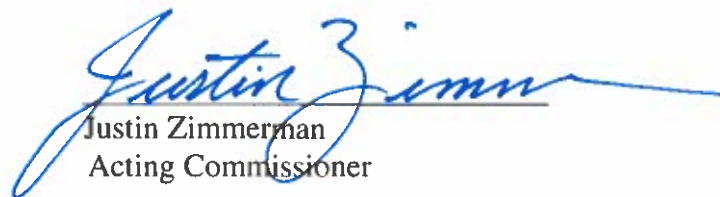
1. The change of domicile shall not be construed to alter either the existing respective rights, franchises and interests, or the duties, obligations, and liabilities of the Company, except as otherwise provided by law. The Company shall continue to be subject to all the liabilities, claims and demands against it that were in existence prior to the change of domicile. Any action or proceeding pending at the time of the consummation of the process by which the domicile is transferred in which the Company is a party shall not abate or discontinue by reason of the change

of domicile; but shall be prosecuted to a final resolution in the same manner as if the change of domicile had not taken place; and

2. At the effective time of the change, the Company will surrender its New Jersey certificate of authority and cease to be a New Jersey domestic insurer; and

3. At the effective time of the change of domicile, the conditions set forth in each of the Approval Orders will no longer apply; except for condition 2 to Maintain RBC and Liquidity Ratio (“Condition 2”). Condition 2 will continue to apply to the Arch Applicants until the end of the 5-year period following the consummation of the acquisition of control approved by Department Order No. A21-06. Condition 2 will cease to apply to the Warburg Pincus Applicants, the Kelso & Company Applicants and Greysbridge Holdings Ltd., if and when the Warburg Pincus Applicants, the Kelso & Company Applicants and Greysbridge Holdings Ltd. cease to control WIC as defined by N.J.S.A. 17:27A-1c; and

4. Pursuant to N.J.S.A. 17:17-20b, the Company shall be admitted effective at the time of its change of domicile, to transact the business of insurance in this State as a foreign insurer, subject to filing by Watford Insurance Company with the Department of any other documents and information as the Department may specifically require.



Justin Zimmerman
Acting Commissioner

LG Watford Insurance Company redomestication/orders