

**FILED**

**OCT 06 2023**

**INSURANCE REGULATION**  
Docketed by:           



**OFFICE OF INSURANCE REGULATION**

**MICHAEL YAWORSKY**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 315835-23-CO

ALLIED WORLD ASSURANCE COMPANY, LTD  
\_\_\_\_\_ /

SECOND AMENDMENT TO CONSENT ORDER

THIS CAUSE came on for consideration as a result of an agreement between ALLIED WORLD ASSURANCE COMPANY, LTD (hereinafter referred to as "ALLIED WORLD") and the FLORIDA OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") to amend Consent Order 214196-17-CO executed by ALLIED WORLD and the OFFICE on November 27, 2017 (hereinafter referred to as "2017 Consent Order,") in response to a change in ALLIED WORLD's secure financial strength ratings. The 2017 Consent Order was amended by Consent Order 227014-18-CO executed by ALLIED WORLD and the OFFICE on August 1, 2018 ("hereinafter referred to as "2018 Consent Order"). Following a complete review of the record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and of the parties herein.
2. ALLIED WORLD is a Certified Reinsurer in Florida pursuant to Section 624.610(3)(e), Florida Statutes; Rule 69O-144.007, Florida Administrative Code; and the 2017 Consent Order.

3. Pursuant to Rule 69O-144.007(4), Florida Administrative Code, the secure financial strength ratings of a certified reinsurer determine the minimum collateral a certified reinsurer is required to post for the ceding insurer to take one hundred percent (100%) credit in its financial statements on account of such reinsurance ceded.

4. Pursuant to paragraph 5 of the 2017 Consent Order, ALLIED WORLD represented to the OFFICE that effective July 6, 2017, Fitch downgraded ALLIED WORLD's secure financial strength rating from "A+" to "A." In addition, ALLIED WORLD represented that effective July 7, 2017, Standard & Poor's downgraded ALLIED WORLD's secure financial strength rating from "A" to "A-." Further, effective July 10, 2017, Moody's downgraded ALLIED WORLD's secure financial strength rating from "A2" to "A3."

5. ALLIED WORLD represented to the OFFICE that effective December 17, 2021, Moody's upgraded ALLIED WORLD's secure financial strength rating from "A3" to "A2"; and effective May 27, 2022, Standard & Poor's upgraded ALLIED WORLD's secure financial strength rating from "A-" to "A". ALLIED WORLD's Fitch rating was withdrawn in December 2019. Paragraph 6 of the 2017 Consent Order is hereby replaced with the following language:

Based on the updated secure financial strength ratings of ALLIED WORLD, the OFFICE hereby assigns ALLIED WORLD an upgraded rating of Secure - 3 under Rule 69O-144.007, Florida Administrative Code.

6. Rule 69O-144.007(11)(d), Florida Administrative Code, states that if the rating of a certified reinsurer is upgraded by the OFFICE, the certified reinsurer may meet the security requirements applicable to its new rating on a prospective basis, but the OFFICE shall require the certified reinsurer to post security under the previously applicable security requirements as to all

contracts in force on or before the effective date of the upgraded rating. Paragraph 9 of the 2017 Consent Order is hereby replaced with the following language:

Based on ALLIED WORLD's current secure financial strength ratings, the minimum collateral ALLIED WORLD is required to post pursuant to Rule 69O-144.007(4), Florida Administrative Code, shall be as follows:

a. The collateral required for the ceding insurer to take one hundred percent (100%) credit in its financial statements on account of such reinsurance ceded shall be no less than twenty percent (20%), unless otherwise amended by the OFFICE. Said collateral requirement shall take effect for agreements incepting on or after May 27, 2022, up until such time as the collateral requirement may be further amended by the OFFICE.

b. For agreements incepting after March 1, 2011, and before May 27, 2022, fifty percent (50%) is still the minimum collateral ALLIED WORLD is required to post for a ceding company to take one hundred percent (100%) credit in its financial statements on account of such reinsurance ceded to ALLIED WORLD pursuant to Rule 69O-144.007(10)(d), Florida Administrative Code.

7. The parties agree that all other previous terms and conditions of the 2017 Consent Order and 2018 Consent Order remain unchanged by this Second Amendment to Consent Order and remain in full force and effect.

8. The OFFICE may extend or waive any deadline or requirement in this Consent Order by written notice, subject to any limitations under applicable statutes or administrative regulations.

9. ALLIED WORLD agrees and affirms that all information, submissions, explanations, representations, and documents provided to the OFFICE in connection with the matter, including all attachments and supplements thereto, are true and correct and material to the issuance of this Consent Order.

10. ALLIED WORLD expressly waives a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which it may be entitled by law or rules of the OFFICE. ALLIED WORLD hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order in any forum now or in the future available to it, including the right to any administrative proceeding, state or federal court action, or any appeal.

11. Each party to this action shall bear its own costs and attorney's fees.

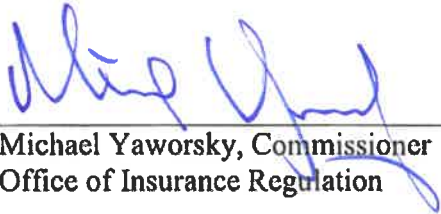
12. The parties agree this Consent Order will be deemed executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signatures of the authorized representatives of ALLIED WORLD, notwithstanding the fact the copy was transmitted to the OFFICE electronically. ALLIED WORLD agrees the signature of its authorized representative as affixed to this Consent Order shall be under seal of a notary public.

WHEREFORE, the agreement between ALLIED WORLD ASSURANCE COMPANY, LTD and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 6<sup>th</sup> day of October, 2023.



  
Michael Yaworsky, Commissioner  
Office of Insurance Regulation

By execution hereof, ALLIED WORLD ASSURANCE COMPANY, LTD consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions therein. The undersigned represents that he has the authority to bind ALLIED WORLD ASSURANCE COMPANY, LTD to the terms and conditions of this Consent Order.

ALLIED WORLD ASSURANCE COMPANY,  
LTD

By: [Signature]

Print Name: Michelle F. Furqan

Title: Assistant Vice President, Corporate Paralegal & Corporate Secretary

Date: October 5, 2023



STATE OF Bermuda

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of October 2023,

by Michelle F. Furqan as Assistant Vice President, Corporate Paralegal & Corporate Secretary  
(name of person) (type of authority; e.g., officer, trustee, attorney in fact)

for Allied World Assurance Company, Ltd  
(company name)

[Signature]  
(Signature of the Notary)

JACARI ANTHONY BRIMMER-LANDY  
Notary Public/Commissioner for Oaths  
Conyers Dill & Pearman Limited

(Print, Type, Charlestown House, 201 North Street  
Hamilton HM 11, Bermuda  
Tel: +1 (441) 295-1422

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: upon death



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