IN THE MATTER OF: 

HANNOVER LIFE REASSURANCE COMPANY  
OF AMERICA (BERMUDA) LTD. 

____________________________________/

CONSENT ORDER 

THIS CAUSE came on for consideration upon the filing of an application by  
HANNOVER LIFE REASSURANCE COMPANY OF AMERICA (BERMUDA) LTD.  
(hereinafter referred to as the “APPLICANT”) for Eligibility as a Certified Reinsurer (hereinafter  
referred to as “Application”), pursuant to Section 624.610(3)(e), Florida Statutes, and Rule 69O-  
144.007, Florida Administrative Code, with the FLORIDA OFFICE OF INSURANCE  
REGULATION (hereinafter referred to as the “OFFICE”). Following a complete review of the  
entire 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. APPLICANT has applied for, and, subject to the present and continuing  
satisfaction of the requirements, terms, and conditions established herein, met all of the  
conditions precedent to becoming a Certified Reinsurer in Florida, pursuant to Section  
624.610(3)(e), Florida Statutes, and Rule 69O-144.007, Florida Administrative Code.
3. APPLICANT is a stock insurer domiciled in the country of Bermuda. All of APPLICANT’s shares were acquired by Hannover Finance Inc. on December 21, 2017, from Hannover Life Reassurance Company of America. Hannover Finance Inc. is 100% owned by Hannover Ruck SE, which is 50.22% owned by Talanx AG, which is 100% owned by The Group Haftpflichtverband der Deutschen Industrie V.a.G.

4. APPLICANT represents that its purpose in becoming a Certified Reinsurer under Section 624.610(3)(e), Florida Statutes, and Rule 69O-144.007, Florida Administrative Code, is to allow ceding insurers to take credit in their accounting and in financial statements on account of such reinsurance ceded without APPLICANT posting full collateral.

5. On December 14, 2017, pursuant to Rule 69O-144.007(8)(b), Florida Administrative Code, the OFFICE posted notice on its website of receipt of APPLICANT’s Application, with no public comments received within the 30-day posting period.

6. In determining APPLICANT’s qualifications as a Certified Reinsurer pursuant to Section 624.610(3)(e), Florida Statutes, and Rule 69O-144.007, Florida Administrative Code, the OFFICE has considered the following:

   a. APPLICANT’s secure financial strength rating from at least 2 rating agencies pursuant to Rule 69O-144.007(3), Florida Administrative Code:

      1. On December 28, 2017, Standard & Poor’s assigned a financial strength rating of ‘AA-.’


   b. APPLICANT’s December 31, 2016 audited financial statement reports statutory capital and surplus of $6,733,689 U.S. Dollars (hereinafter referred to as “USD”). On
February 7, 2018, documentation was submitted representing that $124,766,615.54 USD was contributed to APPLICANT. On February 7, 2018, documentation was submitted representing that an additional $125,233,384.46 USD was contributed to APPLICANT. As of February 7, 2018, APPLICANT reported approximately $256,733,689 USD in statutory capital and surplus, which is above the $250,000,000 USD requirement pursuant to Rule 69O-144.007(3), Florida Administrative Code. On March 7, 2018, APPLICANT represents that an additional $500,000,000 USD was contributed to APPLICANT’s surplus on February 28, 2018.

c. On March 7, 2018, APPLICANT reported several additional capital transactions planned for March 2018:
   i. additional equity capital contribution of approximately $435,000,000 USD in late March;
   ii. issuance to Hannover Ruck SE, or an affiliate, of approximately $240,000,000 USD of surplus notes subordinated to all policyholder obligations with maturity greater than 20 years at the end of March; and
   iii. approximately $210,000,000 USD of ancillary unfunded capital in the form of call options for issuance of subordinated notes with guaranteed purchase by Hannover Ruck SE.

d. APPLICANT’s qualified jurisdiction, pursuant to Rule 69O-144.007(9), Florida Administrative Code.

e. APPLICANT’s audited Bermuda Statutory Statements that were prepared in accordance with International Financial Reporting Standards (IFRS) for the last 3 years, with an audited reconciliation of equity and net income on a U.S. GAAP basis, pursuant to Rule 69O-144.007(8)(a)1., Florida Administrative Code.
f. APPLICANT’s representation that an additional approximately $885,000,000 USD will be contributed to the capital and surplus of APPLICANT before the end of the first quarter of 2018.

7. The minimum collateral a Certified Reinsurer is required to post for the ceding insurer to take 100% credit in its financial statements on account of such reinsurance ceded is based on the secure rating the Certified Reinsurer is assigned by the OFFICE. Pursuant to Rule 69O-144.007(8)(e)1., Florida Administrative Code:

The maximum rating that a certified reinsurer may be assigned will correspond to its financial strength rating as outlined in subsection (4), of this rule. The Office shall use the lowest financial strength rating received from a rating agency indicated in paragraphs (3)(a)-(e), of this rule, in establishing the maximum rating of a certified reinsurer.

8. Based on the secure financial strength ratings of APPLICANT, the OFFICE hereby assigns APPLICANT a rating of Secure – 2 and a collateral requirement of 10%.

9. For purposes of Rule 69O-144.007(4), Florida Administrative Code, APPLICANT acknowledges that the collateral required for the ceding insurer to take 100% credit in its financial statements on account of such reinsurance ceded be no less than 10%, for agreements incepting on or after the execution date of this Consent Order, unless otherwise amended by the OFFICE.

10. APPLICANT represents that it will, for purposes of securing its U.S. liabilities to U.S. cedant insurers, post collateral security in the form of Letters of Credit. Such Letters of Credit shall comply with Section 624.610(4)(c), Florida Statutes, and Rule 69O-144.005(6), Florida Administrative Code. APPLICANT represents that it will establish such Letters of Credit within 60 days of execution of this Consent Order. APPLICANT agrees that any other form of security utilized by the APPLICANT in lieu of Letters of Credit shall comply with Section
11. APPLICANT has represented that following the effective date of its status as a Certified Reinsurer in Florida, APPLICANT will enter into reinsurance contracts with ceding insurers with an effective date of January 1, 2018. Pursuant to Rule 690-144.007(3), Florida Administrative Code, credit for reinsurance allowed for Certified Reinsurers shall apply to such reinsurance contracts provided that they are entered into on or after the effective date of certification of APPLICANT. Therefore, APPLICANT acknowledges that, pursuant to Rule 690-144.007(3), Florida Administrative Code, credit for reinsurance without full collateral for ceding insurers shall only take effect for reinsurance contracts entered on or after the execution date of this Consent Order.

12. APPLICANT shall adhere to the continuing requirements for a Certified Reinsurer as described more fully in Section 624.610(3)(e), Florida Statutes, and Rule 690-144.007, Florida Administrative Code.

13. Pursuant to Rule 690-144.007(8)(i), Florida Administrative Code, APPLICANT shall notify the OFFICE within 10 days of the following: any regulatory actions taken against the certified reinsurer; any change in the provisions of its domiciliary license; or any change in rating by an approved rating agency. Such notice shall include a statement describing such actions and the reasons therefore.

14. Pursuant to Rule 690-144.007(8)(d)2., Florida Administrative Code, APPLICANT shall assume only the kind or kinds of reinsurance ceded by ceding insurers for which APPLICANT is authorized in its domiciliary jurisdiction. Further, APPLICANT
acknowledges that its Certified Reinsurer status shall only apply to life and health reinsurance, including annuity reinsurance.

15. APPLICANT acknowledges that in order to maintain its Certified Reinsurer status, it is required to file annually with the OFFICE all documentation required by Rule 69O-144.007(8)(h), Florida Administrative Code. Pursuant to the APPLICANT’s request and Rule 69O-144.007(8)(h)2., Florida Administrative Code, APPLICANT is permitted to provide audited IFRS statements, so long as a reconciliation of equity and net income are provided on a U.S. GAAP basis. The reconciliation of equity and net income to U.S. GAAP must either be audited or certified by an officer of the APPLICANT.

16. APPLICANT submits to the jurisdiction of the U.S. courts and has appointed an agent for service of process in Florida (attached as “Exhibit A”).

17. APPLICANT agrees to post 100% collateral for its Florida liabilities if it resists enforcement of a valid and final judgment from a court in the United States, or if otherwise required by the OFFICE pursuant to Rule 69O-144.007, Florida Administrative Code.

18. The effective date of APPLICANT’s Certified Reinsurer status is the date of execution of this Consent Order. This Consent Order shall remain in effect and APPLICANT’s status as a Certified Reinsurer shall continue until APPLICANT either surrenders its status, fails to meet the requirements of the Florida Insurance Code or Rule 69O-144.007, Florida Administrative Code, or has its status withdrawn pursuant to Rule 69O-144.007, Florida Administrative Code.

19. APPLICANT shall report to the OFFICE, Life & Health Financial Oversight, any time that it is named as a party defendant in a class action lawsuit within fifteen (15) days after
the class is certified. APPLICANT shall include a copy of the complaint at the time it reports the
class action lawsuit to the OFFICE.

20. APPLICANT shall maintain an information security program for the security and
protection of confidential and proprietary information under its control that complies with all
applicable laws and regulations regarding information security. APPLICANT agrees it shall
continually monitor and enhance its information security program to mitigate data security
breaches. APPLICANT further agrees that it shall notify the OFFICE within 5 business days of
identifying a data breach.

21. The deadlines set forth in this Consent Order may be extended by written
approval of the OFFICE. Approval of any deadline extension is subject to statutory or
administrative regulation limitations. Additionally, the various reporting requirements and any
other provision or requirement set forth in this Consent Order may be altered or terminated by
written approval of the OFFICE.

22. Executive Order 13224 prohibits any transactions by U.S. persons involving the
blocked assets and interests of terrorists and terrorist support organizations. APPLICANT shall
maintain and adhere to procedures necessary to detect and prevent prohibited transactions with
those individuals and entities, which have been identified at the Treasury Department’s Office of

23. APPLICANT affirms that all information, submissions, explanations,
representations, and documents provided to the OFFICE in connection with APPLICANT’s
Application, including all attachments and supplements thereto, are material to the issuance of
this Consent Order and fully describe all transactions, agreements, and understandings regarding
the ownership structure, operations, and control of APPLICANT.
24. Within 60 days from the date of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

25. APPLICANT agrees that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE withdrawing APPLICANT’s status as a Certified Reinsurer in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

26. APPLICANT 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. APPLICANT hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order in any forum available to it, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

27. Each party to this action shall bear its own costs and fees.

28. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of the authorized representative of the APPLICANT, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT agrees that the signature of
its authorized representative as affixed to this Consent Order shall be under the seal of a Notary 
Public.

WHEREFORE, the agreement between HANNOVER LIFE REASSURANCE 
COMPANY OF AMERICA (BERMUDA) 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 19 day of March, 2018.

David Altmaier, Commissioner
Office of Insurance Regulation
By execution hereof, HANNOVER LIFE REASSURANCE COMPANY OF AMERICA (BERMUDA) 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 herein. The undersigned represents that he or she has the authority to bind HANNOVER LIFE REASSURANCE COMPANY OF AMERICA (BERMUDA) LTD. to the terms and conditions of this Consent Order.

HANNOVER LIFE REASSURANCE COMPANY OF AMERICA (BERMUDA) LTD.

By: [Signature]

Print Name: Jeffrey R. Burt

Title: President and CEO

Date: March 19, 2018

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 19th day of March 2018, by Jeffrey R. Burt as President and CEO for Hannover Life Reassurance Company of America (Bermuda) Ltd.

LEAH WASSUM
MY COMMISSION # GG102797
EXPIRES April 04, 2019

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known \checkmark OR Produced Identification

Type of Identification Produced

My Commission Expires: April 4, 2019
Applicant Company Name: Hannover Life Reassurance Company of America (Bermuda) Ltd.

NAIC No. N/A

FEIN: AA-3191255

Uniform Consent to Service of Process

__X__ Original Designation

Amended Designation

(must be submitted directly to states)

Applicant Company Name: Hannover Life Reassurance Company of America (Bermuda) Ltd.

Previous Name (if applicable):

Home Office Address: Canon's Court, 22 Victoria Street

City, State, Zip: Hamilton, Bermuda HM12

NAIC CoCode: N/A

The Applicant Company named above, organized under the laws of Bermuda, for purposes of complying with the laws of the State(s) designate hereunder relating to the holding of a certificate of authority or the conduct of an insurance business within said State(s), pursuant to a resolution adopted by its board of directors or other governing body, hereby irrevocably appoints the officers of the State(s) and their successors identified in Exhibit A, or where applicable appoints the required agent so designated in Exhibit A hereunder as its attorney in such State(s) upon whom may be served any notice, process or pleading as required by law as reflected on Exhibit A in any action or proceeding against it in the State(s) so designated; and does hereby consent that any lawful action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the State(s) so designated; and agrees that any lawful process against it which is served under this appointment shall be of the same legal force and validity as if served on the entity directly. This appointment shall be binding upon any successor to the above named entity that acquires the entity's assets or assumes its liabilities by merger, consolidation or otherwise; and shall be binding as long as there is a contract in force or liability of the entity outstanding in the State. The entity hereby waives all claims of error by reason of such service. The entity named above agrees to submit an amended designation form upon a change in any of the information provided on this power of attorney.

Applicant Company Officers' Certification and Attestation

One of the two Officers (listed below) of the Applicant Company must read the following very carefully and sign:

1. I acknowledge that I am authorized to execute and am executing this document on behalf of the Applicant Company.

2. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at Orlando, Florida.

January 25, 2018

Signature of President

Jeffrey Robert Burt

Full Legal Name of President

Signature of Secretary

Full Legal Name of Secretary

Exhibit A

©2000, 2005-2017 National Association of Insurance Commissioners

Revised 11/21/15
Uniform Consent to Service of Process

Exhibit A

Place an "X" before the names of all the States for which the person executing this form is appointing the designated agent in that State for receipt of service of process:

- AL Commissioner of Insurance # and Resident Agent *
- AK Director of Insurance #
- AZ Director of Insurance #
- AR Resident Agent *
- AS Commissioner of Insurance #
- CO Commissioner of Insurance # or Resident Agent *
- CT Commissioner of Insurance #
- DE Commissioner of Insurance #
- DC Commissioner of Insurance and Securities Regulation # or Local Agent* (circle one)
- FL Chief Financial Officer #
- GA Commissioner of Insurance and Safety Fire # and Resident Agent *
- GU Commissioner of Insurance #
- HI Insurance Commissioner # and Resident Agent *
- ID Director of Insurance #
- IL Director of Insurance #
- IN Resident Agent #
- IA Commissioner of Insurance #
- KS Commissioner of Insurance #
- KY Secretary of State #
- LA Secretary of State #
- MD Insurance Commissioner #
- ME Resident Agent *
- MI Resident Agent *
- MN Commissioner of Commerce ~
- MS Commissioner of Insurance and Resident Agent* BOTH are required.

- MO Director of Insurance #
- MT Commissioner of Securities and Insurance #
- NE Officer of Company* or Resident Agent* (circle one)
- NH Commissioner of Insurance #
- NV Commissioner of Insurance Commission #
- NJ Commissioner of Banking and Insurance #
- NM Superintendent of Insurance #
- NY Superintendent of Financial Services #
- NC Commissioner of Insurance
- ND Commissioner of Insurance #
- OH Resident Agent *
- OR Resident Agent *
- OK Commissioner of Insurance #
- PR Commissioner of Insurance #
- RI Superintendent of Insurance #
- SC Director of Insurance #
- SD Director of Insurance #
- TN Commissioner of Insurance #
- TX Resident Agent *
- UT Resident Agent *
- VT Secretary of State # or Resident Agent *
- VI Lieutenant Governor/Commissioner #
- WA Insurance Commissioner #
- WV Secretary of State #
- WY Commissioner of Insurance #

# For the forwarding of Service of Process received by a State Officer complete Exhibit B listing by state the entities (one per state) with full name and address where service of process is to be forwarded. Use additional pages as necessary. Colorado will forward Service of Process to the Secretary of the Applicant Company and requires a resident agent for foreign entities. Exhibit not required for New Jersey, and North Carolina. Florida accepts only an individual as the entity and requires an email address. New Jersey allows but does not require a foreign insurer to designate a specific forwarding address on Exhibit B. SC will not forward to an individual by name; however, it will forward to a position, e.g., Attention: President (or Compliance Officer, etc.). Washington requires an email address on Exhibit B.

* Attach a completed Exhibit B listing the Resident Agent for the Applicant Company (one per state). Include state name, Resident Agent's full name and street address. Use additional pages as necessary. (DC* requires an agent within a ten mile radius of the District).

^ Initial pleadings only.

@ Form accepted only as part of a Uniform Certificate of Authority application.

MA will send the required form to the Applicant Company when the approval process reaches that point.

~ Minnesota does not forward Service of Process. To effectively serve the Commissioner of Commerce, use the process under Minn. Stat. § 45.028. Applicant Company may complete Exhibit B to provide a Service of Process address that Commerce may keep on file.

Exhibit A


Revised 11/21/15

FORM 12
Exhibit B

Complete for each state indicated in Exhibit A:

State: Florida  Name of Entity: Edward Gwyn Anderson, III
Phone Number: (407) 649-8411  Fax Number: 
Email Address: gwyn.anderson@hlamerica.com
Mailing Address: 200 S. Orange Avenue, Suite 1900, Orlando, Florida 32801
Street Address: 200 S. Orange Avenue, Suite 1900, Orlando, Florida 32801

State:  Name of Entity: 
Phone Number:  Fax Number: 
Email Address: 
Mailing Address: 
Street Address: 

State:  Name of Entity: 
Phone Number:  Fax Number: 
Email Address: 
Mailing Address: 
Street Address: 

State:  Name of Entity: 
Phone Number:  Fax Number: 
Email Address: 
Mailing Address: 
Street Address: 

State:  Name of Entity: 
Phone Number:  Fax Number: 
Email Address: 
Mailing Address: 
Street Address: 

Exhibit B

Resolution Authorizing Appointment of Attorney

BE IT RESOLVED by the Board of Directors or other governing body of

Hannover Life Reassurance Company of America (Bermuda) Ltd

(Applicant Company Name)

this 11th day of December, 2017, that the President or Secretary of said entity be and are hereby authorized by the Board of Directors and directed to sign and execute the Uniform Consent to Service of Process to give irrevocable consent that actions may be commenced against said entity in the proper court of any jurisdiction in the state(s) of

Florida

in which the action shall arise, or in which plaintiff may reside, by service of process in the state(s) indicated above and irrevocably appoints the officer(s) of the state(s) and their successors in such offices or appoints the agent(s) so designated in the Uniform Consent to Service of Process and stipulate and agree that such service of process shall be taken and held in all courts to be as valid and binding as if due service had been made upon said entity according to the laws of said state.

CERTIFICATION:

We, Estera Services (Bermuda) Limited, Secretary of

Hannover Life Reassurance Company of America (Bermuda) Ltd

(Applicant Company Name)

state that this is a true and accurate copy of the resolution adopted effective the 11th day of December, 2017 by the Board of Directors or governing board at a meeting held on the day of __________, 20___ or by written consent dated 11th day of December, 2017.

Date January 26, 2018

Maria Paolino

Secretary

Duly authorised for

Estera Services (Bermuda) Limited