



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

RE: Examination Report of Maiden Reinsurance North America, Inc. for the period ended  
December 31, 2014

**ORDER**

After full consideration and review of the report of the financial examination of Maiden Reinsurance North America, Inc. for the period ended December 31, 2014, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, John M. Huff, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant findings, subsequent events, company history, corporate records, management and control, fidelity bond and other insurance, pensions, stock ownership and insurance plans, territory and plan of operation, growth of company, loss experience, reinsurance, accounts and records, statutory deposits, financial statements, comments on the financial statements, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER, that the report of the Financial Examination of Maiden Reinsurance North America, Inc. as of December 31, 2014 be and is hereby ADOPTED as filed and for Maiden Reinsurance North America, Inc. to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) implement, and verify compliance with each item, if any, mentioned in the Comments on the Financial Statements and/or Summary of Recommendations section of such report; and (2) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 7<sup>th</sup> day of March, 2016.



A handwritten signature in blue ink, appearing to read "John M. Huff", is written over a horizontal line.

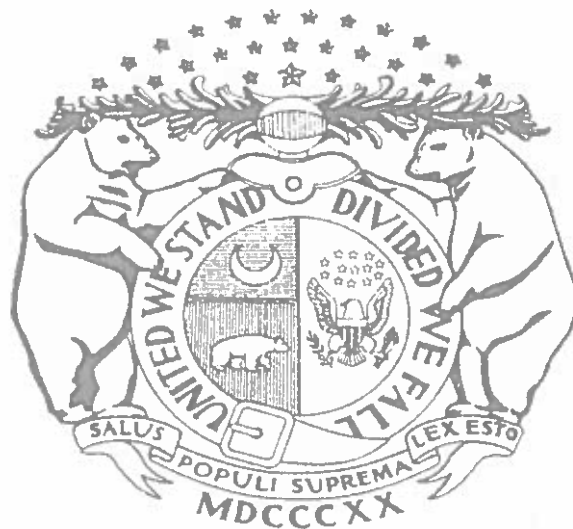
John M. Huff, Director  
Department of Insurance, Financial Institutions  
and Professional Registration

REPORT OF  
FINANCIAL EXAMINATION

Maiden Reinsurance  
North America, Inc.

As of:  
DECEMBER 31, 2014

**FILED**  
MAR 17 2016  
DIRECTOR OF INSURANCE,  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION



STATE OF MISSOURI  
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS  
AND PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI

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January 7, 2016  
St. Louis, MO

Honorable John M. Huff, Director  
Missouri Department of Insurance, Financial  
Institutions and Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65101

Director Huff:

In accordance with your financial examination warrant, a comprehensive financial examination has been made of the records, affairs and financial condition of

**Maiden Reinsurance North America, Inc.**

hereinafter referred to as "Maiden Re" or as the "Company." The Company's main office is located at 6000 Midlantic Drive, Suite 200 South; Mount Laurel, New Jersey 08054. The telephone number is 856-359-2400. Examination fieldwork began on February 2, 2015, and concluded on the above date.

**SCOPE OF EXAMINATION**

Period Covered

We have performed a multi-state examination of Maiden Reinsurance North America, Inc. The last examination was completed as of December 31, 2010. This examination covers the period of January 1, 2011 through December 31, 2014. This examination also included material transactions or events occurring subsequent to December 31, 2014.

Procedures

This examination was conducted as a full scope comprehensive examination. We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook. The handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company and evaluating systems controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with

statutory accounting principles and Annual Statement instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements. Key activities were: Investment, Treasury, Underwriting and Premiums, Claims and Reserving, Capital and Surplus, and Reinsurance.

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

The examiners relied upon information and workpapers provided by the Company's independent auditor BDO USA, LLP for its audit covering the period from January 1, 2013 through December 31, 2013. We also used workpapers from its audit for the period from January 1, 2014 through December 31, 2014. This reliance focused primarily on internal control narratives, tests of internal controls, and various workpapers documented testing of major accounts.

#### **SUMMARY OF SIGNIFICANT FINDINGS**

There were no significant issues identified during this examination. The Company continues to experience steady growth with stable underwriting results.

#### **COMPANY HISTORY**

Maiden Re, formally GMAC Direct Insurance Company, was purchased from Motors Insurance Company on December 24, 2008 by Maiden Holdings North America, Ltd., a Delaware domiciled holding company that is a fully owned subsidiary of Maiden Holdings, Ltd., a publicly traded Bermuda holding company and ultimate controlling entity of both companies. The Company changed its name from Maiden Reinsurance Company to Maiden Reinsurance North America, Inc. on May 7, 2014.

On September 1, 2009, Maiden Holdings North America, Ltd. purchased and subsequently contributed 100% of the stock of Maiden Specialty Insurance Company, formerly Integon Specialty Insurance Company, to Maiden Re, making it a wholly owned subsidiary of Maiden Re. In June 2015, Maiden Re entered into an agreement to sell Maiden Specialty Insurance Company.

#### **Capital Stock**

The Company has 20,000 shares of Class A common stock authorized at \$200 per share par value. All 20,000 shares are issued and outstanding.

### Dividends

The Company paid no dividends during the examination period.

### Mergers and Acquisitions

The Company has not been involved in any mergers or acquisitions other than the agreement to sell its subsidiary, Maiden Specialty Insurance Company. This transaction is described in the Subsequent Events section of this report.

## **MANAGEMENT AND CONTROL**

### Corporate Documents

The Company's articles of incorporation and bylaws were reviewed. Both documents had been amended during the examination period to reflect a change in the statutory address and to reflect the change in the name of the Company from Maiden Reinsurance Company to Maiden Reinsurance North America, Inc.

### Meeting Minutes

We reviewed the minutes of the meetings of the shareholder, investment committee, and the board of directors. The minutes appear to properly support the approval of major corporate transactions and events for the period under examination.

### Directors

Directors serving at December 31, 2014 were:

Arturo M. Raschbaum	Haddonfield, NJ	President, Maiden Holdings, Ltd.
David L. Adams	West Chester, PA	Vice President, Maiden Re
Stacy C. Armstrong	Princeton, NJ	Vice President, Maiden Re
Cheryl A. Brunette	Troy, MI	Assistant Secretary, Maiden Re
Paul W. Hawk, Jr.	Audubon, PA	Treasurer, Maiden Re
Thomas H. Highet	Voorhees, NJ	President, Maiden Re
Lawrence F. Metz	Westfield, NJ	General Counsel, Maiden Re
Dorothy E. Muir	Burlington, NJ	Vice President, Maiden Re

### Officers

The Company's officers as of December 31, 2014 were:

Thomas H. Highet	President
Lawrence F. Metz	Senior Vice President, General Counsel, and Secretary
Paul W. Hawk, Jr.	Vice President and Treasurer
Stacy C. Armstrong	Vice President
Cheryl A. Brunette	Assistant Secretary
Steven A. Calvitto	Assistant Treasurer

**Committees**

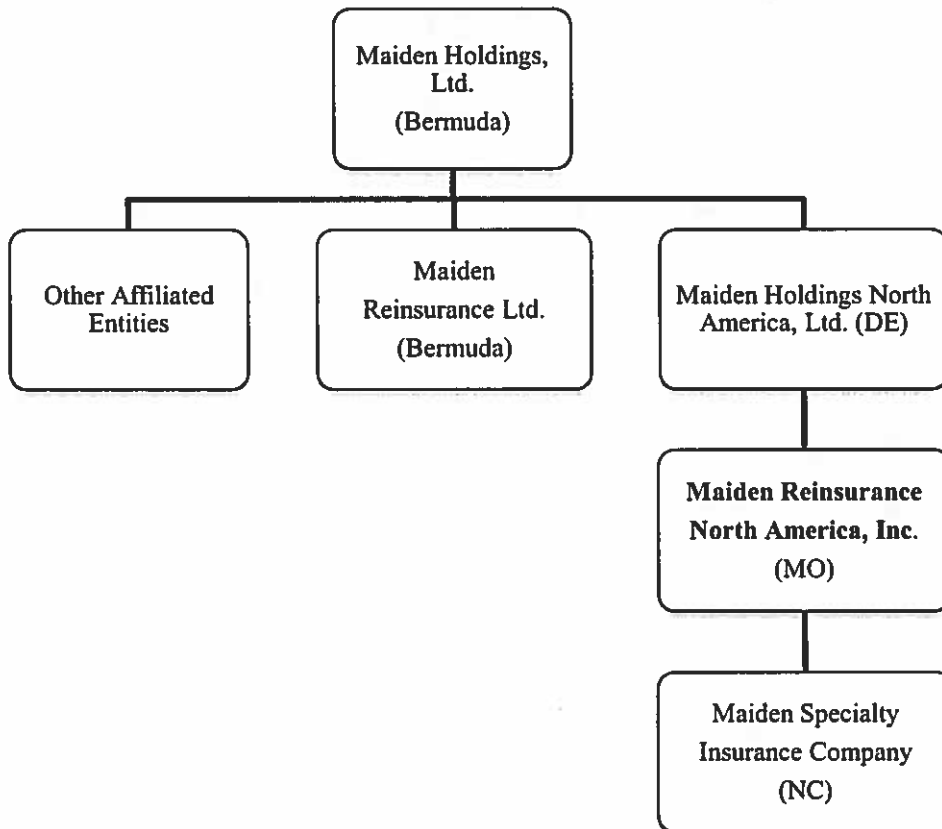
The Company has two standing committees. The investment committee evaluates the Company's overall investment objectives and consists of Paul W. Hawk, Jr., Arturo M. Raschbaum, and Karen L. Schmitt.

The Company has elected to use the audit committee of the holding company system. That committee consists of Raymond M. Neff, Steven H. Nigro, and Simcha Lyons.

**Organizational Chart**

The Company is a member of an Insurance Holding Company System as defined by Section 382.010 RSMo (Definitions).

The following is an abridged organizational chart and depicts those companies directly related to Maiden Reinsurance North America, Inc. All companies shown are 100% owned by the immediate parent.





### Intercompany Transactions

Major affiliated agreements in which the Company is a party are described below.

#### **Excess of Loss Treaty Reinsurance Agreement**

**Parties:** Maiden Re, Maiden Specialty Insurance Company (Specialty)

**Effective:** September 1, 2009.

**Terms:** Maiden Re will provide stop loss reinsurance to Specialty if Specialty's combined ratio exceeds 100%. Maiden Re will indemnify for such amount in excess of 100%. The agreement period will run from the date of acquisition (9/1/09) and for an additional 12 consecutive months thereafter and for additional 12 month periods after that until amended, terminated or superseded

**Rate(s):** Specialty agrees to pay 1.0% of net earned premium on account of business reinsured and such amount shall be credited to Maiden Re from the original date of such business.

#### **Managing General Agent's Contract**

**Parties:** Maiden Re, Maiden Re Insurance Services, LLC

**Effective:** Original effective date was December 3, 2009.

**Terms:** Management and Administrative Services Agreement ("MGA") with Maiden Re Insurance Services, LLC whereby Maiden Re will appoint Maiden Re Insurance Services, LLC as its General Agent and its reinsurance intermediary-manager for the purpose of producing and handling its business. Maiden Re grants authority to Maiden Re Insurance Services, LLC (i) to solicit, accept and receive submissions for assumed reinsurance, but only up to the maximum net limits of liability (aggregate annual premium amount of \$1 billion and with maximum limits of liabilities for Casualty of \$10 million per occurrence, Property of \$10 million per risk and Catastrophe of \$5 million per cedent) and in the states where Maiden Re is licensed to write; (ii) to secure, at its own expense, reasonable underwriting information through reporting agencies or other appropriate sources relating to each submission; (iii) to issue, renew and countersign reinsurance contracts and endorsements; (iv) to collect and receipt for the premiums thereon; and (v) to adjust and settle claims in accordance with the terms of this Agreement (maximum of Maiden Re Insurance Services, LLC authority to settle claims shall not exceed \$10 million per claim).

**Rate(s):** Rates approved by insurer and are based on a combination of experience and market rates for comparable business. Rates for direct insurance are approved in writing by the insurer and, to the extent necessary, are properly filed with and/or approved by regulatory authorities.

### **Asset Management Agreement**

- Parties:** AIM Insurance Management Limited and the "Investors": Maiden Re, Maiden Insurance Company, Ltd., Maiden Holdings, Ltd., and Maiden Specialty Insurance Company
- Effective:** Original and first amendment effective July 3, 2007. Second amendment effective December 23, 2008. Third amendment effective September 1, 2009. Fourth amendment effective August 6, 2010. Fifth amendment effective July 11, 2012.
- Terms:** Under the agreement, AIM Insurance Management Limited provides investment management services to the Investors for general investment accounts and assets held in trust pursuant to reinsurance trust agreements. Maiden Re is not a party to the trust agreements. In return, the Investors pay an asset management fee based on the average value of each investor's account for the preceding quarter.
- Rate(s):** .0875% of the average value of the account for the preceding calendar quarter.

### **Tax Sharing & Allocation Agreement**

- Parties:** Maiden Re, Maiden Holdings North America, Ltd., Maiden Specialty Insurance Company, Maiden Re Insurance Services, LLC and Maiden Global Servicing Co., LLC.
- Effective:** Original effective December 31, 2009. First amendment effective August 16, 2010. Second amendment effective January 31, 2012.
- Terms:** This agreement allocates consolidated taxes to parties as if each party had filed on a separate return basis with current credit for any net operating losses, capital losses, foreign tax credits, or other items utilized in the consolidated tax return.
- Rate(s):** Consolidated taxes allocated to parties as if each had filed on a separate return basis.

### **Treaty Reinsurance Agreement**

- Parties:** Maiden Re, Maiden Reinsurance, Ltd.
- Effective:** Original effective date was December 23, 2008. First Amendment, October 4, 2010. Second Amendment, April 5, 2012. Third Amendment, February 23, 2015.

**Terms:** Quota share reinsurance agreement between Maiden Re and its affiliate Maiden Reinsurance, Ltd. Under terms of the agreement, Maiden Re cedes 70% of incurred losses associated with business it assumes under various reinsurance and retrocession contracts. This agreement was approved contingent on Maiden Reinsurance, Ltd. who is not an approved reinsurer in Missouri, establishing a trust arrangement meeting the requirements set forth in RSMO 20 CSR 200-2.100(8) to secure its obligations to Maiden Re. The Company provided a copy of executed trust agreement. The First Amendment provides that, if investment income accrued plus net written premium, less loss adjustment expenses paid and ceding commission, is a positive amount, Maiden Re must credit this amount to Maiden Reinsurance, Ltd. If this amount is negative, Maiden Reinsurance, Ltd. must pay Maiden Re.

**Rate(s):** Maiden Insurance Company, Ltd. pays the Company a ceding commission of 40% of the Company's acquisition cost plus 9% of net written premium on business reinsured.

#### **FIDELITY BOND AND OTHER INSURANCE**

The Company has no employees; therefore it has no fidelity coverages. Additional insurance coverages are provided through policies obtained by affiliates. Those include errors and omissions, directors and officers liability, workers' compensation, employment practices liability, and umbrella coverages. Coverages are adequate given that the Company has no employees and owns no real estate.

#### **PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS**

The Company has no employees. Services are provided by affiliates under various intercompany agreements. Affiliates' employees are provided benefits typical of the industry including group health and dental coverage, group life insurance, short- and long-term disability, a flexible spending account, a 401(k) plan, and paid time off. Employee benefit costs are included in intercompany charges from affiliates.

#### **TERRITORY AND PLAN OF OPERATION**

Maiden Re provides reinsurance to property and casualty insurers who write auto, commercial multiple-peril, workers compensation, and minimal amounts of accident and health business. The Company is licensed in 44 states and the District of Columbia and is an accredited reinsurer in 6 states. Maiden Re focuses on regional and specialty insurance companies which provide more traditional, lower volatility lines of business that are exposed to less catastrophic risk. About two-thirds of the business is marketed through third-party intermediaries with the remaining third sold on a direct basis.

## GROWTH OF COMPANY

The Company has grown steadily in recent years. Policyholder surplus has increased and the Company realized a net underwriting gain during 2014. Investment income has been stable as has the Company's expense ratio. These factors have all combined to produce positive net income for 2014.

## LOSS EXPERIENCE

The Company's loss experience has been a positive aspect of the operations. The Company saw a slight drop in the pure net loss ratio during 2014. Reserves have been steadily increasing due to overall growth in assumed business and the decrease in its quota share percentage in its primary ceding contract from 70% to 40%. The Company has avoided significant catastrophic losses.

## REINSURANCE

### General

The Company's reinsurance activity during the examination period is summarized in the following table:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Direct	\$ 8,778,823	\$ 241,086	\$ 26,733
Assumed			
Affiliates	167,969	78,858	791,568
Non-affiliates	639,734,500	673,573,123	736,886,552
Ceded			
Affiliates	(290,558,785)	(266,181,201)	(291,215,883)
Non-affiliates	(11,969,463)	(15,904,997)	(7,786,814)
Net	<u>\$ 346,153,044</u>	<u>\$ 391,806,869</u>	<u>\$ 438,702,156</u>

### Reinsurance Assumed

The Company assumes property and casualty insurance through three main underwriting groups. Broker treaty business is placed, as the name implies, by outside brokers. Direct treaty business is obtained through internal staff. Most business is placed through these two treaty arrangements and is focused mainly on insurers writing personal and commercial automobile, commercial multi-peril, and workers' compensation coverages. Business generated on a facultative basis is primarily written for specific commercial automobile and workers' compensation risks.

The Company prefers to reinsure small to medium sized regional property and casualty insurance companies. Consideration is given to the lines of business written and to the location of that business so as to avoid potential catastrophic losses as much as possible.

### Reinsurance Ceded

The vast majority of the Company's premium ceded is to an affiliate, Maiden Reinsurance Ltd. Terms of the agreement covering this arrangement were discussed above in the Intercompany Transactions section of this report.

## **ACCOUNTS AND RECORDS**

### General

The Company's financial statements are prepared based on statutory accounting principles. Accounting entries are recorded on the FLEXI general ledger system. The Company uses the Senator underwriting and claims processing system. All reinsurance contracts and related summaries of contracts are maintained on the Contract Management System.

### Independent Auditor

The Company's financial statements are audited annually by the accounting firm BDO Seidman, LLP. The workpapers and reports of the most recent independent audit were reviewed for this examination. These workpapers and reports were used in the course of this examination as deemed appropriate.

### Independent Actuaries

Loss reserves, loss adjustment expense reserves and related actuarial accounts reported in the financial statements were certified by Ronald T. Kuehn, FCAS, MAAA, FCA, ARM, CPCU of the actuarial firm Huggins Actuarial Services, Inc.

Under a contract with the Missouri Department of Insurance, Financial Institutions and Professional Registration, Glenn A. Tobleman, FSA, FCAS, MAAA of the actuarial firm, Lewis & Ellis, Inc., reviewed the adequacy of the Company's loss and loss adjustment expense reserves. His evaluation of the Company's reserves concluded the loss and loss adjustment expense reserves were adequate as of December 31, 2014.

### Information Systems

In conjunction with this examination, Andrew Balas, AES, Information Systems Financial Examiner with the Missouri Department of Insurance, Financial Institutions and Professional Registration conducted a review of the Company's information systems. His evaluation did not identify any significant weaknesses.

## STATUTORY DEPOSITS

### Deposits with the State of Missouri

The funds on deposit with the Department of Insurance, Financial Institutions and Professional Registration as of December 31, 2014, are reflected below. These funds were sufficient in value to meet the deposit requirement for the state of Missouri per Section 379.098 RSMo (Security Deposits).

<u>Type of Security</u>	<u>Market Value</u>	<u>Statement Value</u>
US Treasury Notes	<u>\$ 1,653,292</u>	<u>\$ 1,562,443</u>

### Deposits with Other States

The Company has funds on deposit with other states in which it is licensed. The funds on deposit as of December 31, 2014, were as follows:

<u>State</u>	<u>Type of Security</u>	<u>Market Value</u>	<u>Statement Value</u>
Arizona	US Treasury Note	\$ 118,326	\$ 108,669
Arkansas	US Treasury Note	119,392	109,648
Delaware	US Treasury Note	111,930	102,795
Florida	US Treasury Note	179,088	164,472
Idaho	US Treasury Note	279,292	256,498
Nevada	US Treasury Note	350,714	322,091
New Mexico	US Treasury Note	357,110	327,965
North Carolina	US Treasury Note	476,502	437,613
Oregon	US Treasury Note	127,920	117,480
Virginia	US Treasury Note	595,894	547,261
		<u>\$ 2,716,168</u>	<u>\$ 2,494,492</u>

### Other

The Company entered into numerous reinsurance trust agreements, each with a different cedent as beneficiary. These trusts effectively serve as collateral for any unsettled valid claims under the reinsurance contract in the event of the Company's default. The funds held in trust as of December 31, 2014 totaled over \$880 million.

## FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, are based on the statutory financial statements filed by the Company as of December 31, 2014. Any examination adjustments to the amounts reported in the financial statements and/or comments regarding such are made in the "Comments on Financial Statements," which follow the financial statements.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statements." These differences were determined to be immaterial in relation to the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual Annual Statement item.

**STATEMENT OF ASSETS**  
**As of December 31, 2014**

<b>Line</b>	<b>Assets</b>	<b>Nonadmitted Assets</b>	<b>Net Admitted Assets</b>
Bonds	\$ 883,221,289	\$ -	\$ 883,221,289
Common stocks	52,975,473	87,601	52,887,872
Cash, cash equivalents, and short-term investments	137,725,820	-	137,725,820
Investment income due and accrued	5,491,768	-	5,491,768
Uncollected premiums and agents' balances	10,514,810	-	10,514,810
Deferred premiums and agents' balances	122,202,326	-	122,202,326
Accrued retrospective premiums	(17,066,145)	-	(17,066,145)
Amounts recoverable from reinsurers	654,810	-	654,810
Funds held by reinsured companies	3,433,230	63,871	3,369,359
Net deferred tax asset	21,391,820	4,278,249	17,113,571
Receivables from parent, subsidiaries and affiliates	-	-	-
Aggregate write-ins for other-than-invested assets	267,286	266,770	516
<b>Total Assets</b>	<b>\$ 1,220,812,487</b>	<b>\$ 4,696,491</b>	<b>\$ 1,216,115,996</b>



## STATEMENT OF LIABILITIES AND SURPLUS

As of December 31, 2014

Losses	\$ 424,481,168
Reinsurance payable on paid losses and LAE	604,681
Loss adjustment expenses	1,317,804
Commissions payable	(35,660,957)
Other expenses	283,789
Taxes, licenses and fees	1,797
Current federal and foreign income taxes	3,592,953
Unearned premiums	126,563,054
Ceded reinsurance premiums payable	978,705
Funds held by company under reinsurance treaties	379,433,357
Remittances and items not allocated	(87,415)
Provision for reinsurance	43
Payable to parent, subsidiaries and affiliates	2,597,809
Retroactive reinsurance - assumed non-affiliates	36,814,320
Other liabilities	-
Retroactive reinsurance - ceded affiliates	(25,759,130)
Payable to GMACI	-
Federal excise tax payable	11,730,174
Total Liabilities	<u>\$ 926,892,152</u>
Common capital stock	4,000,000
Gross paid in and contributed surplus	305,983,304
Unassigned funds (surplus)	(20,759,460)
Surplus as regards policyholders	<u>289,223,844</u>
Total Liabilities, Capital and Surplus	<u>\$1,216,115,996</u>

**STATEMENT OF OPERATIONS**  
**For Year Ending December 31, 2014**

Premiums earned	\$ 446,182,808
Losses incurred	296,548,692
Loss adjustment expenses incurred	10,678,043
Other underwriting expenses incurred	128,380,496
Total underwriting deductions	<u>435,607,231</u>
Net underwriting gain (loss)	10,575,577
Net investment income earned	30,800,304
Net realized capital gains (losses)	<u>(2,271,989)</u>
Net investment gain (loss)	28,528,315
Gain (loss) from retroactive reinsurance assumed	3,605,447
Miscellaneous expenses	(46,608)
Gain (loss) from retroactive reinsurance ceded	(2,523,813)
Investment expense on funds held	<u>(14,216,302)</u>
Total other income	(13,181,276)
Net income before income taxes	25,922,616
Federal and foreign income taxes incurred	9,308,559
Net income	<u><u>\$ 16,614,057</u></u>

**RECONCILIATION OF SURPLUS**  
**Changes from December 31, 2011 to December 31, 2014**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Surplus as regards policyholders, December 31 prior year	\$ 262,723,957	\$ 268,054,619	\$ 267,862,972	\$ 269,598,293
Net income	(1,683,775)	(19,156,155)	(1,304,775)	16,614,057
Change in net unrealized capital gains or (losses)	16,326	1,034,027	2,955,500	1,964,822
Change in net deferred income tax	2,022,402	8,518,534	2,272,693	384,536
Change in nonadmitted assets	5,731,944	(1,256,777)	(2,174,974)	564,248
Change in provision for reinsurance	(756,235)	671,627	(13,123)	97,888
Surplus adjustments paid in Aggregate write-ins for gains and losses in surplus	-	10,000,000 (2,903)	-	-
Change in surplus as regards policyholders for the year	<u>5,330,662</u>	<u>(191,647)</u>	<u>1,735,321</u>	<u>19,625,551</u>
Surplus as regards policyholders, December 31 current year	<u>\$ 268,054,619</u>	<u>\$ 267,862,972</u>	<u>\$ 269,598,293</u>	<u>\$ 289,223,844</u>

### **EXAMINATION CHANGES**

There are no changes in the financial statements as a result of this examination.

### **COMMENTS ON FINANCIAL STATEMENTS**

There are no comments on the Company's financial statements.

### **SUBSEQUENT EVENTS**

The Company entered into an agreement to sell its subsidiary, Maiden Specialty Insurance Company in June, 2015. The subsidiary was an inactive shell at the time of this agreement. This sale, to Clear Blue Financial Holdings, LLC, is awaiting regulatory approval.

### **SUMMARY OF RECOMMENDATIONS**

There are no recommendations as a result of this examination.

