

LAWRENCE G. WASDEN
Attorney General

JOHN C. KEENAN, ISB No. 3873
Deputy Attorney General
State of Idaho
Department of Insurance
700 W. State Street
P.O. Box 83720
Boise, Idaho 83720-0043
Telephone No. (208) 334-4283
Facsimile No. (208) 334-4298
john.keenan@doi.idaho.gov

FILED
APR 03 2019
Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

STARR SPECIALTY INSURANCE
COMPANY

NAIC No. 16109

Docket No. 18-3595-19

STIPULATION AND ORDER

COME NOW the Idaho Department of Insurance ("Department"), by and through its undersigned counsel, and STARR SPECIALTY INSURANCE COMPANY ("STARR"), by and through its undersigned officer, and agree and stipulate as follows:

1. STARR is a Texas-domiciled insurer licensed in the state of Texas to transact property and casualty insurance; and
2. STARR has applied for an Idaho certificate of authority to be issued by the Director of the Department; and

3. The Department has indicated that, while it would deny STARR's application for an Idaho certificate of authority pursuant to Idaho Code §§ 41-308 and 41-322, based on STARR's lack of sufficient operating history, the Department would reconsider its decision if STARR agrees to the terms of this Stipulation and Order; and

4. STARR agrees to make a deposit with the Department in the sum of One Million Dollars (\$1,000,000) through the Director of the Department of Insurance, for the benefit of Idaho policyholders, pursuant to and in accordance with the Custody Agreement attached to this Stipulation and Order as "Exhibit A" and fully incorporated herein, or a substantially similar agreement satisfactory to the Department, and STARR shall maintain such deposit for a period of three (3) years from the date of issuance of the anticipated certificate of authority; and

5. STARR acknowledges and understands the position of the Department, and STARR expressly agrees to the terms of the Order, as set forth below and incorporated herein, and agrees to comply with such terms, as a condition to avoid denial of its application; and

6. STARR acknowledges that it has had the opportunity to seek the advice of counsel with regard to this Stipulation and Order; and

7. STARR further acknowledges that it enters into this Stipulation and agrees to the entry of the Order knowingly and voluntarily and hereby waives its various rights in connection therewith, including but not limited to its rights to notice and hearing, and STARR further waives its rights to seek reconsideration and judicial review following entry of the attached Order.


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DATED this 3rd day of April, 2019


STARR SPECIALTY
INSURANCE COMPANY

DEPARTMENT OF INSURANCE
STATE OF IDAHO

by 
Name: Nehemiah E. Ginsburg
Its: General Counsel and Secretary

by 
NATHAN FARAGHER
Bureau Chief, Company Activities

REVIEWED AND APPROVED

By  3 APR 19
John C. Keenan
Deputy Attorney General, counsel for the
Idaho Department of Insurance

FINAL ORDER

IT IS HEREBY ORDERED, pursuant to Idaho Code §§ 41-210, 41-212, and 41-308, Idaho Code, and it is stipulated and agreed to by STARR as a condition of being issued an Idaho certificate of authority that STARR shall:

1. Make a deposit with the Department in the sum of One Million Dollars (\$1,000,000) through the Director of the Department of Insurance, for the benefit of Idaho policyholders, pursuant to and in accordance with the Custody Agreement attached hereto and incorporated herein as Exhibit A, or a substantially similar agreement satisfactory to the Department, and maintain such deposit for a period of three (3) years from the date of issuance of the anticipated certificate of authority; and

2. If the Department determines, in its sole discretion, that STARR has failed to deposit or to maintain such deposit as agreed herein and such deposit is deficient as provided under Idaho Code § 41-811, after issuance of the anticipated certificate of authority; upon notice from the Department to STARR, STARR shall immediately cease writing any new business in Idaho, and STARR shall promptly deposit other or additional assets or securities eligible for deposit in an amount sufficient to cure the deficiency; and

3. Pursuant to Idaho Code § 41-811, in the event that STARR has failed to cure the deficiency within thirty (30) days after receipt of the verified notice thereof by registered or certified mail from the Director, the Director shall forthwith without further notice enter an Order revoking STARR's certificate of authority.

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DATED and EFFECTIVE this 3rd day of April, 2019.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


DEAN L. CAMERON
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of April, 2019, I caused a true and correct copy of the foregoing fully-executed STIPULATION AND ORDER to be served upon the following by the designated means:

Starr Specialty Insurance Company
399 Park Avenue, 3rd Floor
New York, NY 10022

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile
- ☐ via email

John C. Keenan
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

- ☐ first class mail
- ☐ certified mail
- ☒ hand delivery
- ☐ via facsimile
- ☐ via email


Pamela Murray

State of Idaho
DEPARTMENT OF INSURANCE

C.L. "BUTCH" OTTER
Governor

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone (208) 334-4250
FAX # (208) 334-4298

DEAN L. CAMERON
Director

CUSTODY AGREEMENT

THIS AGREEMENT, made this 18th day of March, 2019, by and between Starr Specialty Insurance Company, hereinafter called "Company" and the Trust Department of Wells Fargo Bank, N.A., Idaho, hereinafter called "Custodian",

WITNESSETH, That

WHEREAS, under the provisions of the Stipulation and Order entered in Docket No. 18-3595-19, the Company must deposit cash or securities eligible for deposit under 41-803, Idaho Code, in the amount of One Million Dollars (\$1,000,000) through the Director of the Department of Insurance, hereinafter called "Director", to be held for the protection of all of the Company's Idaho policyholders; and

WHEREAS, pursuant to 41-804 of the Idaho Code, these deposits shall be made with and held by the Trust Department of an established bank located in Idaho approved by the Director under custodial arrangements likewise approved by him; and

WHEREAS, the Custodian hereby agrees to act as custodian for the Company and the Director, to hold and safekeep the securities of the Company herewith delivered to it, or which may hereafter be delivered to the Custodian;

NOW, THEREFORE, the parties mutually agree as follows:

1. The Company has deposited with the Trust Department of the Wells Fargo Bank, N.A., securities having a market value of not less than \$1,000,000, (One Million Dollars) as itemized on Schedule A attached hereto.



2. The Director acknowledges and agrees that said deposit of securities meets the requirements of 41-803, Idaho Code, for securities acceptable by the Director for deposits of this nature.
3. The securities so deposited are either in bearer form or are registered with bond powers attached.
4. The Custodian must hold said securities in the form in which they now exist, and may not convert said securities into other types of securities of any nature without the express written consent and authorization of the Director and the Company.
5. The Custodian shall collect all coupons and/or interest at maturity, and shall distribute all income collected to the Company quarterly or in other convenient installments. These remittances shall be made by Custodian's check to the Company, or by credit to the checking account of the Company.
6. All transactions in connection with the deposit and withdrawal of securities shall be upon the written direction of both the Director and the Company.
7. The Custodian shall furnish to the Director and the Company a list of securities held in this account as of each December 31 and after each transaction.
8. The Custodian is obligated to indemnify the insurance company for any loss of securities of the insurance company in the bank's custody occasioned by the negligence or dishonesty of the bank's officers or employees, or burglary, robbery, holdup, theft, or mysterious disappearance, including loss by damage or destruction.
9. That in the event that there is a loss of the securities for which the bank is obligated to indemnify the insurance company, the securities shall be promptly replaced or the value of the securities and the value of any loss of rights or privileges resulting from said loss of securities shall be promptly replaced.

10. The Company hereby agrees to furnish the Custodian and the Director with a certified copy of the Resolution of its Board of Directors authorizing the officers of the Company to enter into this agreement and setting forth the officers who will direct the Custodian regarding this Custody Agreement.
11. The Custodian shall be entitled to receive compensation for its services hereunder in accordance with its schedule of compensation established from time to time by the Custodian for the administration of custody accounts of a character similar to this Custody Agreement, and such compensation may be collected annually by the Custodian, out of income or principal or both, and shall be shown in its annual accounting.
12. The Custodian may resign as Custodian at any time by so notifying in writing the Company and the Director. Upon the resignation of the Custodian, a successor custodian shall be appointed by the Company with the approval of the Director.

13. IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals the date first above-mentioned.

(S E A L)

Starr Specialty Insurance Company
Company

By: William G. Tucker, William G. Tucker

Its: Chief Financial Officer & Treasurer

(S E A L)

Wells Fargo Bank, N.A.
Bank

By: Jonathan Cannon, Jonathan Cannon

Its: VP

APPROVED:

I, DEAN L. CAMERON, the duly appointed Director of the State of Idaho Department of Insurance, hereby approve the Wells Fargo Bank NA as custodian under 41-804, Idaho Code, of the statutory deposits of Starr Specialty Insurance Company and I further approve this Custody Agreement.

DATED This 3rd day of April, 2019.

(S E A L)

Dean L. Cameron
Director of Department of Insurance
State of Idaho

SCHEDULE A

DESCRIPTION

PAR VALUE

MARKET

VALUE

(Give full information including
CUSIP #, name of issuer, par value,
interest rate, maturity date)

9128284R8

U.S. Treasury.

PV \$1,000,000.00

Rate : 2.875%

Maturity : 5/31/2025

\$1,000,000.-

\$1,017,480.-

TOTALS

**UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
STARR SPECIALTY INSURANCE COMPANY**

The UNDERSIGNED, being all of the members of the Board of Directors (the "Board") of Starr Specialty Insurance Company, a corporation organized under the laws of the State of Texas (the "Company"), do hereby make the following statements, take the following actions and adopt the following resolutions by unanimous written consent without a meeting pursuant to Section 9.10(b) of the Business Corporation Act of the State of Texas.

**APPROVAL OF WELLS FARGO BANK, N.A. CUSTODY ACCOUNT OPENING AND
AUTHORIZED SIGNERS**

WHEREAS, the Board has determined that it is advisable and in the best interests of the Company to establish a custody bank account with Wells Fargo Bank, N.A. (the "Custody Account") to hold minimum statutory deposit in Idaho in connection with the certificate of authority application; and

WHEREAS, the Board wishes to authorize any one of the following people to act singly as an Authorized Signer, and any one of the following people to act singly as a Call Back Person, in relation to the Custody Account:

Authorized Signers

Michael Castelli
Yong Chen
William Tucker

Call Back Persons

Gregory Acampora
John Casale
William Tucker

WHEREAS, the Board wishes to approve the custodial agreement between the Company and Well Fargo Bank, N.A., substantially in the form attached hereto as Annex A (the "Custody Agreement"), in connection with the appointment of Wells Fargo Bank, N.A. as custodian of securities of cash or other property of or held by the Company.

NOW, THEREFORE, BE IT RESOLVED, that the establishment of the Custody Account be approved, ratified and confirmed; and it is

FURTHER RESOLVED, that each of the Authorized Signers and Call Back Persons be and they hereby are authorized and directed to open such Custody Account as may be necessary or appropriate for the conduct of the business of the Company; and it is

FURTHER RESOLVED, that the Board hereby approves the Custody Agreement in connection with the appointment of Wells Fargo Bank, N.A. as custodian of securities, cash or other property of or held by the Company; and it is

FURTHER RESOLVED, that William Tucker be, and is hereby authorized to execute the Custody Agreement and any other necessary documents in connection with the

appointment of Wells Fargo Bank, N.A. as custodian of securities, cash or other property of or held by the Company.

RATIFICATION

RESOLVED, that all action heretofore taken and all documentation heretofore delivered by any officer, in furtherance of the foregoing resolutions is hereby ratified, adopted, approved and confirmed and declared to be binding and enforceable obligations of the Company in accordance with the respective terms and provisions thereof.

GENERAL ENABLING

RESOLVED, That any officer of the Company be, and each hereby is, authorized and empowered, for and on behalf of the Company, to execute and deliver any and all documents, contracts, or instruments and do or cause to be done any and all such other acts and things that they, or any of them, may deem be necessary, appropriate or desirable in order to implement fully and promptly the purposes and intent of these resolutions, any such determination to be conclusively evidenced by the execution and delivery of any such document, contract or instrument or doing or performance of any such act or thing.

This written consent may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, being the members of the Board of Starr Specialty Insurance Company, have executed this unanimous written consent.

S. Blakey
Steven G. Blakey
Dated: 1/30/19

Michael J. Castelli
Dated:

Axel Freudmann
Dated:

Nehemiah E. Ginsburg
Dated:

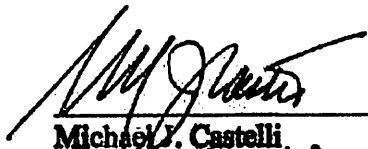
Joseph C. H. Johnson
Dated:

Bertil P. Lundqvist
Dated:

Howard I. Smith
Dated:

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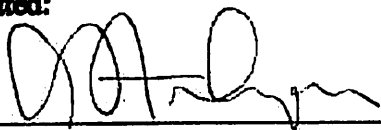
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Dated:



Axel Freudmann

Dated:

January 30, 2019

Joseph C. H. Johnson

Dated:

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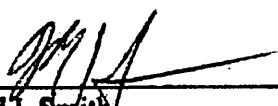
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