

REPORT ON EXAMINATION

OF THE

AXIS REINSURANCE COMPANY

AS OF

DECEMBER 31, 2007

DATE OF REPORT

DECEMBER 18, 2008

EXAMINER

ADEBOLA AWOFOESO

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STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

December 18, 2008

Honorable Eric R. Dinallo  
Superintendent of Insurance  
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 22729 dated January 8, 2008 attached hereto, I have made an examination into the condition and affairs of AXIS Reinsurance Company as of December 31, 2007, and submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate AXIS Reinsurance Company.

Wherever the term "AXIS U.S. Holdings" appears herein without qualification, it should be understood to mean the AXIS Specialty U.S. Holdings, Inc., an insurance holding company domiciled in Delaware

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York Insurance Department.

The examination was conducted at the Company's administrative offices located at 11680 Great Oaks Way, Alpharetta, GA 30022.

The Company's statutory home office is located at 430 Park Avenue, 4th Floor, New York, New York 10022.

## 1. SCOPE OF EXAMINATION

The Department has performed an association examination of AXIS Reinsurance Company. The previous examination was conducted as of December 31, 2001. This examination covered the six year period from January 1, 2002 through December 31, 2007. The examination was initially started with an examination date as of December 31, 2006, but was subsequently updated to include the year ending December 31, 2007. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

This examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook which 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 system 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 examination also included a review and evaluation of the Company’s own control environment assessment and evaluation based upon the Company’s Sarbanes Oxley documentation and testing. The examiners also relied upon audit work performed by the Company’s independent public accountants when appropriate.

This examination report includes a summary of significant findings for the following items as called for in the Financial Condition Examiners Handbook of the NAIC:

- Significant subsequent events
- Company history
- Corporate records
- Management and control
- Fidelity bonds 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  
Summary of recommendations

This report on examination is confined to financial statements and comments on those matters, which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

## **2. DESCRIPTION OF COMPANY**

AXIS Reinsurance Company of New York was incorporated under the laws of the State of New York on July 25, 1991 under the name of Sun Insurance Office of America, to be the domesticated successor to Sun Insurance Office Limited (United States Branch).

Effective January 1, 1994, ownership of the Company was transferred, via a stock exchange, to Sun Alliance USA Inc., a wholly-owned subsidiary of Sun Alliance Group plc.

On July 19, 1996, Sun Alliance Group plc merged with Royal Insurance Holdings plc, forming a new holding company called Royal & Sun Alliance Insurance Group plc., and subsequently change the Company name to Royal & Sun Alliance Personal Insurance Company effective January 1, 1999.

Effective December 8, 1999, ownership of the Company was transferred, via a stock exchange, to Royal Group Inc.

Effective August 21, 2000, ownership of the Company was transferred, via a stock exchange, to Royal Insurance Company of America.

On November 27, 2002, AXIS Specialty U.S. Holdings, Inc., a Delaware holding company, acquired the Company from Royal Insurance Company of America and subsequently changes its name to AXIS Reinsurance Company of New York.

As of December 31, 2007, the Company is wholly-owned by AXIS Specialty U.S. Holdings, Inc. and is ultimately owned by AXIS Capital Holdings Limited, a holding company organized under the law of Bermuda.

At December 31, 2007, capital paid in was \$5,000,000 consisting of 100 shares of common stock at \$50,000 par value per share. Gross paid in and contributed surplus was \$550,349,476. Gross paid in and contributed surplus increased by \$544,649,476 during the examination period, as follows:

<u>Year</u>	<u>Description</u>		<u>Amount</u>
2001	Beginning gross paid in and contributed surplus		\$ 5,700,000
2002	Surplus contribution	\$363,272,109	
2003	Surplus contribution	136,750,002	
2004	Surplus contribution	15,000,000	
2005	Surplus contribution	30,000,000	
2006	Prior year adjustment	<u>(372,635)</u>	
	Total Surplus Contributions		<u>544,649,476</u>
2007	Ending gross paid in and contributed surplus		<u>\$550,349,476</u>

A. Management

Pursuant to the Company's charter and by-laws, management of the Company is vested in a board of directors consisting of not less than thirteen nor more than twenty-one members. At December 31, 2007, the board of directors was comprised of the following thirteen members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Christopher A. Donelan Williston Park, NY	Executive Vice President, AXIS US Reinsurance, AXIS Specialty US Services, Inc.
Halina Herc Leonardo, NJ	Senior Vice President, AXIS US Reinsurance, AXIS Specialty US Services, Inc.
Steven W. Komis Princeton, NJ	Senior Vice President, AXIS US Reinsurance, AXIS Specialty US Services, Inc.
John A. Kuhn Mendham, NJ	Chief Executive Officer, AXIS Professional Lines, AXIS Specialty US Services, Inc.
Nicholas M. Leccese, Jr. White Plains, NY	Senior Vice President and Actuary, AXIS Specialty US Services, Inc.
Carlton W. Maner Lithonia, GA	Divisional President, AXIS Specialty Lines, AXIS Specialty US Services, Inc.
Kevin J. Markowski Northport, NY	Executive Vice President, AXIS Specialty US Services, Inc.
Michael E. Morrill Stamford, CT	Chief Executive Officer and President, AXIS US Reinsurance, AXIS Specialty US Services, Inc.
Cheryl L. Price Atlanta, GA	Senior Vice President, Finance, AXIS Specialty US Services, Inc.

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Gregory W. Springer Alpharetta, GA	Divisional President, AXIS Select Markets, AXIS Specialty US Services, Inc.
Fred M. Turner II Alpharetta, GA	President, AXIS Insurance, AXIS Specialty US Services, Inc.
Linda Ventresca NY, NY	Executive Vice President, Corporate Development AXIS Specialty US Services, Inc.
Andrew M. Weissert Marietta, GA	Senior Vice President, US General Counsel, AXIS Specialty US Services, Inc.

A review of the minutes of the board of directors' meetings held during the examination period indicated that the meetings were generally well attended and each board member has an acceptable record of attendance.

As of December 31, 2007, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Michael E. Morrill	President and Chief Executive Officer
Andrew M. Weissert	General Counsel and Secretary
Cheryl L. Price	Senior Vice President and Treasurer
Carlton W. Maner	Senior Vice President
Nicholas M. Leccese, Jr.	Senior Vice President and Actuary
Gregory W. Springer	Senior Vice President
John A. Kuhn	Senior Vice President
John M. Intondi	Senior Vice President-Claims

B. Territory and Plan of Operation

As of December 31, 2007, the Company was licensed to write business in all fifty states, the District of Columbia, Puerto Rico, American Samoa and Guam.

As of the examination date, the Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

<u>Paragraph</u>	<u>Line of Business</u>
3	Accident & health
4	Fire
5	Miscellaneous property
6	Water damage

<u>Paragraph</u>	<u>Line of Business</u>
7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
15	Workers' compensation and employers' liability
16	Fidelity and surety
17	Credit
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity
22	Residual value
24	Credit unemployment
29	Legal services

In addition, the Company is licensed to transact such workers' compensation insurance as may be incident to coverage contemplated under paragraphs 20 and 21 of Section 1113(a), including insurances described in the Longshoremen's and Harbor Workers' Compensation Act (Public Law No. 803, 69 Cong. as amended; 33 USC Section 901 et. seq. as amended), and as authorized by Section 4102(c), insurance of every kind or description outside of the United States and reinsurance of every kind or description.

Based on the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13 and 41 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$6,800,000.

The Company's direct business consists primarily of commercial property, liability, professional lines and other specialty program insurance. The Company's reinsurance writings consists primarily of treaty reinsurance business comprised of professional lines (medical malpractice, directors' and officers', employment practices liability and miscellaneous errors and omissions), liability (auto liability, general liability, umbrella and workers' compensation), property (specialty companies), and marine and aviation. Business is transacted primarily through insurance and reinsurance intermediary and brokers.



The following chart shows the growth of gross written premiums during the examination period:

<u>Year</u>	<u>Direct Business</u>	<u>Assumed from Affiliates</u>	<u>Assumed from Non-Affiliates</u>	<u>Gross Written Premiums</u>
2002	\$ -	\$ 82,475	\$ 1,796,062	\$ 1,878,537
2003	54,106,964	-	199,755,651	253,862,615
2004	233,527,489	-	335,986,944	569,514,433
2005	378,335,291	122,237,796	440,054,674	940,627,761
2006	452,158,791	210,366,183	489,229,968	1,151,754,942
2007	338,156,530	217,002,757	524,235,607	1,079,394,894

The following schedule shows the direct premiums written by the Company both in total and in New York for the period under examination:

<u>Calendar Year</u>	<u>New York State</u>	<u>Total United States</u>	<u>Premiums Written in New York State as a Percentage of United States Premium</u>
2002	0	0	0.00%
2003	\$ 1,309,308	\$ 54,106,964	2.42%
2004	\$ 2,385,918	\$233,527,489	1.02%
2005	\$24,596,010	\$378,335,291	6.50%
2006	\$49,949,668	\$452,158,791	11.05%
2007	\$30,553,768	\$338,156,530	9.04%

#### Managing General Agent (“MGA”) Agreement

Effective January 1, 2005, the Company entered into a binding authority agreement with Sullivan and Strauss Agency, Inc (“Sullivan and Strauss”). During calendar years 2006 and 2007, the gross written premiums produced by Sullivan and Strauss for the Company exceeded 5% of the Company’s prior year-end policyholder’s surplus, which is the threshold to be considered a managing general agent (“MGA”) pursuant to Part 33.2(c)(3) of Department Regulation 120. Pursuant to Part 33.3(b) of Department Regulation 120, a domestic insurer that appoints an MGA to act for it in any state or foreign country, shall complete and file a form, as prescribed by the superintendent, with this department, within 30 days of the appointment. The Company has not submitted the required form.

It is recommended that the Company file the form required pursuant to Part 33.3(b) of Department Regulation 120 regarding its appointment of Sullivan and Strauss as an MGA.

### C. Reinsurance

#### Assumed:

Assumed reinsurance accounted for 69% of the Company's gross premium written at December 31, 2007. During the period covered by this examination, the Company's assumed reinsurance business has increased since the last examination. The Company's assumed reinsurance program consists mainly of property & casualty, multi-line coverage assumed on a quota share and excess of loss basis, pursuant to the terms of facultative and treaty agreements with both authorized and unauthorized cedants. The Company utilizes reinsurance accounting as defined in NAIC Accounting Practices and Procedures Manual Statements of Statutory Accounting Principles ("SSAP") No. 62 for all of its assumed reinsurance business.

Effective January 1, 2005, the Company entered into a 70% quota share reinsurance agreement with AXIS Surplus Insurance Company ("AXIS Surplus"), an affiliate, whereby AXIS Surplus cedes to the Company a 70% quota share of its net retained liability per policy covering all contracts issued by AXIS Surplus. Premium is ceded on an earned basis before deduction of the reinsurance relating to the quota share agreement and stop loss agreement ceded to AXIS Specialty Limited discussed below. Premiums assumed pursuant to this agreement comprised approximately 29.3% of the total premiums assumed by the Company in 2007. Note this contract was changed effective January 1, 2008 from reinsurance being based on earned premium to written premium.

#### Ceded

The Company structured its ceded reinsurance program on its direct business to limit its maximum exposure to any one risk through various excess of loss and quota share reinsurance treaties (cessions and limits vary by product line). The Company utilizes facultative reinsurance for policies with limits exceeding a threshold specific to each product line. The Company also purchased catastrophe reinsurance covering wind, earthquake and fire damage.

In addition to the abovementioned treaties, the Company entered into a 50% quota share reinsurance agreement with AXIS Specialty Limited ("AXIS Specialty"), an affiliate, whereby the Company cedes to AXIS Specialty a 50% quota share of its the net retained liability per policy, contract binder or slip of insurance or reinsurance after third party reinsurance; the business ceded to this agreement includes the business assumed under the 70% quota share with AXIS surplus.. The agreement was revised effective January 1, 2005, from reinsurance being based on written premium

to earned premium and subsequently revised effective December 31, 2007, from reinsurance being based on earned premium to written premium.

Effective November 27, 2002, the Company entered into a stop loss agreement with AXIS Specialty. Pursuant to this agreement, Axis Specialty is liable for 100% of the amount by which the Company's ultimate net loss ratio incurred during any calendar year exceeds 80% subject to a limit of 120%.

The affiliated reinsurance agreements were reviewed for compliance with Article 15 of the New York Insurance Law and noted that all affiliated reinsurance agreements were filed with the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

All ceded reinsurance agreements in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law.

It is the Company's policy to obtain the appropriate collateral for its cessions to unauthorized reinsurers. Letters of credit and trust accounts obtained by the Company to take credit for cessions to unauthorized reinsurers were reviewed for compliance with Department Regulations 133 and 114, respectively. No exceptions were noted.

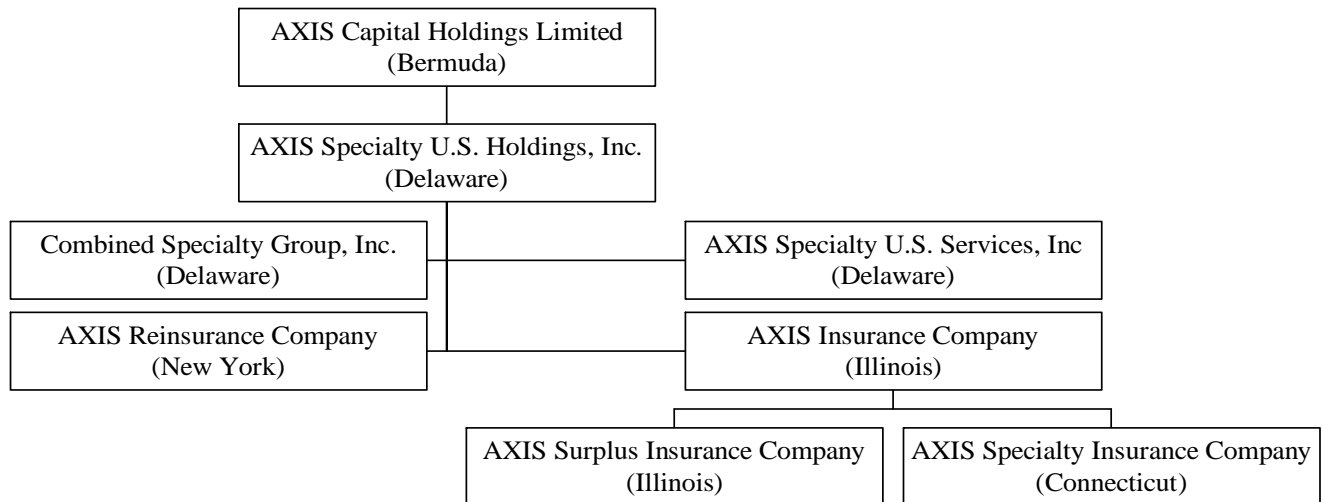
Examination review of the Schedule F data reported by the Company in its filed annual statement was found to accurately reflect its reinsurance transactions. Additionally, management has represented that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in SSAP No. 62. Representations were supported by appropriate risk transfer analyses and an attestation from the Company's chief executive officer pursuant to the NAIC annual statement instructions. Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting as set forth in SSAP No. 62.

D. Holding Company System

The Company is a member of the AXIS Capital Holding Limited. The Company is wholly-owned subsidiary of AXIS Specialty U.S. Holdings, Inc. a State of Delaware corporation, which is ultimately controlled by AXIS Capital Holding Limited, a holding company organized under the law of Bermuda.

A review of the holding company registration statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

The following is an abridged chart of the holding company system at December 31, 2007:



At December 31, 2007, the Company was party to the following agreements with other members of its holding company system:

#### Administrative Services Agreement

Effective November 27, 2002, the Company is a party to an administrative services agreement with an affiliate, AXIS Specialty Limited (“AXIS Specialty”), an insurance and reinsurance company organized under the laws of Bermuda. Pursuant to this agreement, AXIS Specialty provides services to the Company including, but not limited to, reinsurance security, investment and cash flow management, and general corporate services. These services are provided on a cost reimbursement basis, provided, however that in no event shall the amount so charged exceed the amount the Company would expend in providing such services on its own. This agreement was filed with the Department on April 10, 2002, pursuant to Section 1505(d)(3) of the New York Insurance Law.

#### Expense Allocation Agreement

Effective November 27, 2002, the Company is a party to an expense allocation agreement with an affiliate Axis Specialty U.S. Services, Inc. (“ServiceCo”), a Delaware corporation. Pursuant

to this agreement, ServiceCo provides office equipment, office space and personnel that are necessary in connection with the business operations of the Company. The agreement provides that reimbursement of services provided shall be on cost basis. This agreement was filed with the Department on April 10, 2002, pursuant to Section 1505(d)(3) of the New York Insurance Law.

#### Tax Allocation Agreement

Effective December 1, 2002, the Company became a party to a federal income tax sharing agreement with Axis Specialty U.S. Holdings, Inc. and its subsidiaries, which form a consolidated group. Pursuant to the terms of the agreement, the parties will file consolidated federal income tax returns. The agreement provides that the Company's tax liability on a consolidated basis will not exceed the liability had it filed its tax return on a stand alone basis. This agreement was filed with this Department on April 10, 2002.

#### E. Significant Operating Ratios

The following ratios have been computed as of December 31, 2007, based upon the results of this examination:

Net premiums written to surplus as regards policyholders	32%
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	72%
Premiums in course of collection to surplus as regards policyholders	9%

All of the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners.

The underwriting ratios presented below are on an earned/incurred basis and encompass the six-year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Losses and loss adjustment expenses incurred	\$1,029,712,058	73.91%
Other underwriting expenses incurred	405,282,799	29.09
Net underwriting loss	<u>(41,816,729)</u>	<u>(3.00)</u>
Premiums earned	<u>\$1,393,178,128</u>	<u>100.00%</u>

### **3. FINANCIAL STATEMENTS**

#### A Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2007 as determined by this examination and as reported by the Company:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$1,248,511,499	\$ 0	\$1,248,511,499
Preferred stocks	23,679,216	0	23,679,216
Common stocks	7,745,500	0	7,745,500
Cash, cash equivalents and short-term investments	254,137,500	0	254,137,500
Other invested assets	22,929,950	0	22,929,950
Receivable for securities	52,018,380	0	52,018,380
Investment income due and accrued	11,867,858	10,781	11,857,077
Uncollected premiums and agents' balances in the course of collection	57,903,227	5,669,845	52,233,382
Deferred premiums, agents' balances and installments booked but deferred and not yet due	251,835,707	0	251,835,707
Amounts recoverable from reinsurers	17,110,875	0	17,110,875
Funds held by or deposited with reinsured companies	1,783,260	0	1,783,260
Current federal and foreign income tax recoverable and interest thereon	5,956,966	0	5,956,966
Net deferred tax asset	67,120,196	44,977,396	22,142,800
Furniture and equipment, including health care delivery assets	1,633	1,633	0
Receivables from parent, subsidiaries and affiliates	24,347,060	0	24,347,060
Loss funds on deposit	8,324,401	0	8,324,401
Other assets	<u>3,049,912</u>	<u>284,988</u>	<u>2,764,924</u>
Total assets	<u>\$2,058,323,140</u>	<u>\$50,944,643</u>	<u>\$2,007,378,497</u>

Liabilities, surplus and other funds

Losses and loss adjustment expenses	\$ 811,757,347
Reinsurance payable on paid losses and loss adjustment expenses	29,636,682
Commissions payable, contingent commissions and other similar charges	2,182,669
Other expenses (excluding taxes, licenses and fees)	743,590
Taxes, licenses and fees (excluding federal and foreign income taxes)	5,166,005
Unearned premiums	218,092,056
Ceded reinsurance premiums payable (net of ceding commissions)	210,171,761
Amounts withheld or retained by company for account of others	1,711,039
Remittances and items not allocated	4,793,847
Provision for reinsurance	1,745,093
Payable to parent, subsidiaries and affiliates	10,780,274
Liability for security loan collateral	98,370,859
Deferred ceding commission	2,343,263
Other Liabilities	<u>2,764,924</u>
Total liabilities	\$1,400,259,409

Surplus and Other Funds

Common capital stock	\$5,000,000
Gross paid in and contributed surplus	550,349,476
Unassigned funds (surplus)	<u>51,769,613</u>
Surplus as regards policyholders	<u>607,119,089</u>
Total liabilities, surplus and other funds	<u>\$2,007,378,498</u>

NOTE: The Internal Revenue Service has not yet begun to audit tax returns covering tax years 2002 through 2007. The examiner is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders increased \$413,850,744 during the six-year examination period January 1, 2002 through December 31, 2007, detailed as follows:

Underwriting Income

Premiums earned		\$1,393,178,128
Deductions:		
Losses incurred	\$889,666,034	
Loss adjustment expenses incurred	140,046,024	
Other underwriting expenses incurred	<u>405,282,799</u>	
Total underwriting deductions		<u>\$1,434,994,857</u>
Net underwriting gain or (loss)		\$(41,816,729)

Investment Income

Net investment income earned	\$177,517,065	
Net realized capital gain	<u>46,403,495</u>	
Net investment gain or (loss)		<u>223,920,560</u>
Net income before dividends to policyholders and before federal and foreign income taxes		\$ 182,103,831
Federal and foreign income taxes incurred		<u>110,502,821</u>
Net income		\$ <u>71,601,010</u>



C. Capital and Surplus Accounts

Surplus as regards policyholders per report on examination as of December 31, 2001			<u>\$193,268,345</u>
	Gains in <u>Surplus</u>	Losses in <u>Surplus</u>	
Net income	\$ 71,601,010		
Net unrealized capital gains or (losses)		\$ 53,389,265	
Change in net deferred income tax	65,238,189		
Change in non-admitted assets		50,944,643	
Change in provision for reinsurance		1,745,093	
Surplus adjustments paid in	544,462,871		
Dividends to stockholders	<u>0</u>	<u>161,372,325</u>	
Total gains and losses	<u>\$681,302,070</u>	<u>\$267,451,326</u>	
Net increase (decrease) in surplus			<u>413,850,744</u>
Surplus as regards policyholders per report on examination as of December 31, 2007			<u>\$607,119,089</u>

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned item of \$811,757,347 is the same as reported by the Company as of December 31, 2007. The examination analysis was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Companies internal records and in its filed annual statements.

5. MARKET CONDUCT ACTIVITIES

In the course of this examination, a review was made of the manner in which the Company conducts its business and fulfills its contractual obligations to policyholders and claimants. The review was general in nature and is not to be construed to encompass the more precise scope of a market conduct investigation, which is the responsibility of the Market Conduct Unit of the Property Bureau of this Department.

The general review was directed at practices of the Company in the regarding "Treatment of Policyholders" which consisted of a review of the Company's compliant handling practices and claim payment practices. During the course of the review, no problem areas were encountered.

**6. SUMMARY OF COMMENTS AND RECOMMENDATIONS**ITEMPAGE NO.A. Accounts and Records

It is recommended that the Company file the form required pursuant to Part 33.3(b) of Department Regulation 120 regarding its appointment of Sullivan and Strauss as an MGA.

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Respectfully submitted,

\_\_\_\_\_/s/  
Adebola Awofeso  
Senior Insurance Examiner

STATE OF NEW YORK     )  
                                  )SS:  
                                  )  
COUNTY OF NEW YORK )

ADEBOLA AWOFESE, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

\_\_\_\_\_/s/  
Adebola Awofeso

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

Appointment No. 22729

STATE OF NEW YORK  
INSURANCE DEPARTMENT

I, Eric R. Dinallo, Superintendent of Insurance of the State of New York,  
pursuant to the provisions of the Insurance Law, do hereby appoint:

**Adebola Awofeso**

*as proper person to examine into the affairs of the*

**AXIS REINSURANCE COMPANY**

*and to make a report to me in writing of the condition of the said*

**Company**

*with such other information as he shall deem requisite.*

*In Witness Whereof, I have hereunto subscribed by the  
name and affixed the official Seal of this Department, at  
the City of New York,*

*this 8th day of January, 2008*



A handwritten signature in cursive script, reading "Eric R. Dinallo".

ERIC R. DINALLO

Superintendent of Insurance