802.51

May 23, 2003

FEDERAL TRADE COMMISSION PREMERGER NOTIFICATION OFFICE
2003 MAY 23 P 3: 13

Via Facsimile Transmission

Mr. Michael Verne,
Premerger Notification Office,
Room H-314,
Federal Trade Commission,
Bureau of Competition,
600 Pennsylvania Avenue, N.W.,
Washington, D.C. 20580.

Re: Request for Informal Interpretation Regarding Applicability of the Notification and Waiting Period Requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976

Dear Mr. Verne:

I write to follow up on our telephone conversation of yesterday regarding my request for an informal interpretation of the notification and waiting period requirements (the "Requirements") of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act") as applied to the proposed acquisition (the "Acquisition") described in this letter. Following our telephone conversation, I obtained additional information regarding the parties and the Acquisition, which I believe confirms my expectation that the acquisition is exempt from the Requirements under Rule 802.51(b) because the issuer lacks the requisite quantity of United States assets and "sales in or into the United States." For your convenience, I will fax the letter to you then telephone you to discuss the relevant considerations.

As I indicated during our telephone conversation yesterday, the Acquisition involves the purchase by [redacted] of voting securities of [redacted] Holdings Limited ([redacted]). [redacted] is a corporation engaged in the business of reinsurance and is organized

under the laws of, and headquartered in, France. is a corporation engaged in the business of reinsurance, and is organized under the laws of, and headquartered in, the Republic of Ireland.

Currently, there are three shareholders of , which holds 46.68% of the outstanding voting securities of , which holds in the aggregate (through four wholly-owned subsidiaries) 46.64% of outstanding voting securities; and which holds the remaining 6.66%. The Acquisition involves the *pro-rata* allocation of holdings of stock to and . As a result of that acquisition would hold 50.02% of the outstanding voting securities of and would hold the remaining shares. There are five directors of has the right to designate two of those directors, and has the right to designate one director. The remaining two directors are independent directors, who are selected through voting by the shareholders. As a result of the Acquisition, effectively would have the right to appoint four of the five directors.

Since the formation of has exercised managerial control over and has fully consolidated financial results into financial results for purposes of . Pursuant to a shareholder agreement entered into at the time of the formation of has committed to purchase all shares of held by the other shareholders by no later than May 2006 and is expected to cease all operations as of that time.

Since formation, all of that company's commercial endeavors have consisted of the entry into Quota Share Arrangements between (either directly or through a wholly-owned subsidiary) and or s subsidiary in the United States. Pursuant to the Quota Share Arrangements, assumes a portion of certain of s reinsurance obligations in exchange for premium payments to by . Thus, to-date, all of the "sales" have resulted from reinsurance premiums paid by in connection with the Quota Share Arrangements. has the right to provide reinsurance to third parties (on a joint basis with in amounts of up to 10% of annual premium revenues; but, to-date, has not engaged in such third-party business.)

is not registered or licensed as a reinsurance company in any jurisdiction in the United States. We understand that conducts all of its business through offices in and does not maintain an office or conduct or solicit business in the United States. We further understand that, in the fiscal year ended December 31, 2002, earned approximately €111.6 million from reinsurance premiums from . We understand that all of the communications regarding the reinsurance arrangements from which those premium revenues were earned occurred either by telephone or in writing or through in-person communications that took place outside the

United States. The Quota Share Arrangements were signed in Dublin by [redacted] and in the United States by [redacted]

In view of these considerations, it appears that [redacted] neither holds assets located in the United States nor made sales in or into the United States in it most recent fiscal year. Accordingly, we have concluded that, even though [redacted] would acquire control (for purposes of the Act) of [redacted] as a result of the Acquisition, the Acquisition is exempt from the Requirements pursuant to Rule 802.51(b). We would appreciate your confirming whether the Premerger Notification Office concurs in that conclusion.

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ADVISED THAT A REDACTED COPY WILL BE AVAILABLE THROUGH FOIA.

In view of the nature of this communication, [redacted] respectfully requests that the Premerger Notification Office accord confidential treatment to this letter and hold exempt from any request for public disclosure pursuant to the Freedom of Information Act any portion of this communication that could lead to identification of the Acquisition, or the parties involved in, or terms of, the Acquisition.

* * *

I look forward to the opportunity to discuss with you the contents of this letter. Thank you for your attention to this matter.

Sincerely,

[redacted]

AGREE. N. OVUKA CONCURS.
B. Michael Verne
5/27/03