

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE ACQUISITION)	
OF CONTROL OF WATFORD SPECIALTY)	
INSURANCE COMPANY BY SLATE)	
BERMUDA HOLDINGS LP, SLATE)	
BERMUDA HOLDINGS MANAGER, LLC,)	
ANGELO, GORDON & CO., L.P., AG GP,)	ORDER APPROVING
LLC, TPG OPERATING GROUP II, L.P., TPG)	ACQUISITION
HOLDINGS II-A, LLC, TPG GPCO, LLC, TPG)	
INC., TPG GROUP HOLDINGS (SBS), L.P.,)	
ALABAMA INVESTMENTS (PARALLEL),)	
LP, TPG GROUP HOLDINGS (SBS) ADVISORS,)	
LLC, ALABAMA INVESTMENTS (PARALLEL))	
GP, LLC AND TPG GP A, LLC)	

I have read the Hearing Officer’s report dated December 4, 2025 regarding the above-captioned matter, and I concur with the recommendation contained therein. Accordingly, pursuant to N.J.S.A. 17:27A-2, I hereby approve the proposal (“Proposed Acquisition of Control”) by Slate Bermuda Holdings LP, Slate Bermuda Holdings Manager, LLC, Angelo, Gordon & Co., L.P., AG GP, LLC, TPG Operating Group II, L.P., TPG Holdings II-A, LLC, TPG GPCo, LLC, TPG Inc., TPG Group Holdings (SBS), L.P., Alabama Investments (Parallel), LP, TPG Group Holdings (SBS) Advisors, LLC, Alabama Investments (Parallel) GP, LLC and TPG GP A, LLC (each an “Applicant” and collectively, the “Applicants”) to acquire control of Watford Specialty Insurance Company (NAIC# 15824) (the “Domestic Insurer”) subject to the following conditions:

1. NO USE OF NEW JERSEY FUNDS FOR ACQUISITION. Upon consummation of the Proposed Acquisition of Control, Applicants shall exercise all efforts, including their voting rights and contractual rights, to not: (a) Assets: dispose of or otherwise use assets of Domestic Insurer and/or any other subsidiaries of Domestic Insurer, if any, that are licensed, authorized or

certified by the New Jersey Department of Banking and Insurance (“Department”) to transact business in New Jersey for the purpose of repaying any debt incurred, to finance the Proposed Acquisition of Control, use no part of the assets of Domestic Insurer, to pay, reimburse, or otherwise fund both the cash financing portion of the Proposed Acquisition of Control and the debt related to the financing of the Proposed Acquisition of Control except, with respect to this clause as approved or otherwise permitted by the relevant agency with regulatory authority; (b) Costs: pass onto Domestic Insurer or New Jersey insureds any acquisition costs or other consideration, including without limitation of executive compensation paid to or accrued for the benefit of any executive officers of Applicants in connection with, or triggered by the Proposed Acquisition of Control; (c) Rates: seek premium rate increases applicable to New Jersey insureds that are intended to be used or are used to pay for the cost of the Proposed Acquisition of Control. Applicants shall exercise their voting rights to help ensure that premiums payable by New Jersey insureds for products offered by Applicants’ Insurers in NJ, if any, shall not increase as a result of costs incurred in financing, analyzing and/or consummating the Proposed Acquisition of Control (“Acquisition Costs”). (Such Acquisition Costs include, but are not limited to, attorneys’ and investment bankers’ fees, loan expenses, travel expenses, due diligence expenses, execution compensation expenses, of any form, and expenses related to current or future acquisitions by Domestic Insurer or the Applicants); (d) Dividends: declare and/or paying any dividends (ordinary or extraordinary), without the express prior approval of the Commissioner of Banking and Insurance (“Commissioner”) for a period of three (3) years from the consummation of the Proposed Acquisition of Control. Applicants shall exercise their voting rights to prevent Domestic Insurer to declare or pay dividends, make other distributions of cash or property or in any other way upstream any funds or property to their shareholders or any shareholders of Applicants in NJ, if any, without the express prior approval of the Commissioner for a period of three (3) years.

2. MAINTAIN RBC AND LIQUIDITY RATIO. For a period of five (5) years from the consummation of the Proposed Acquisition of Control, Applicants shall exercise all efforts,

including their voting rights and contractual rights, to cause Domestic Insurer to maintain a minimum Authorized Control Level, Risk Based Capital (RBC) level of 300% or higher at all times.

3. NEW JERSEY BUSINESS. The Applicants shall be committed to having Domestic Insurer seek opportunities to write new business in New Jersey and in supporting Domestic Insurer in maintaining its existing service levels and not reduce current staffing levels within this State, if any, for a minimum of three (3) years from the consummation of the Proposed Acquisition of Control.

4. NO MATERIAL CHANGE TO BUSINESS. Upon the consummation of the Proposed Acquisition of Control, the Applicants shall exercise all efforts, including their voting authority and any other contractual rights, to refrain from the following: (i) liquidating Domestic Insurer; (ii) selling any material portion of the assets of Domestic Insurer; (iii) merging Domestic Insurer with any other person or persons; or (iv) making any other material change (not disclosed in the Form A Filing) with regard to business, corporate structure, management or general plan of operations of Domestic Insurer, all without the express prior approval of the Commissioner.

Applicants represent that, Applicants currently do not have, nor do the Applicants currently contemplate, any plans or proposals to liquidate Domestic Insurer; sell any of Domestic Insurer's assets; merge or consolidate Domestic Insurer with any person or persons; cause Domestic Insurer to declare a dividend or any other distribution; or make any other material change in Domestic Insurer's business operations or corporate structure or management.

5. CYBERSECURITY. The Applicants shall exercise all efforts to cause the Domestic Insurer to provide the Department with confidential access to the cybersecurity plan for the information systems used by or on behalf of the Domestic Insurer for review as a part of a state examination pursuant to N.J.S.A. 17:27A-5 and N.J.S.A. 17:27A-6. The Applicants shall exercise all efforts to cause the Domestic Insurer to provide notice to the Department when and if a cybersecurity breach takes place and shall work with the Department to protect New Jersey

policyholders if they are affected. The Applicants shall take no action to oppose regulation and/or legislation regarding cybersecurity, the same as or substantially similar to, the Insurance Data Security Model Law adopted by the National Association of Insurance Commissioners (“NAIC”). The Applicants shall commit to serving as a resource to the Department and providing constructive input and expertise to the Department with respect thereto.

6. TAX SHARING AGREEMENTS TO BE FILED. Any Tax Sharing Agreements of the Domestic Insurer with the Applicants shall be filed as agreements between or among affiliates requiring regulatory approval prior to implementation pursuant to N.J.S.A. 17:27A–4 and shall comply with N.J.S.A. 17:27A–1 et seq. and implementing regulations set forth at N.J.A.C. 11:1–35.7 and N.J.A.C. 11:1–35.10.

7. NO PUSH–DOWN OF GOODWILL FROM DOMESTIC INSURER OR APPLICANTS. Applicants and Domestic Insurer shall not use any form of push–down accounting methods that result in the transfer or allocation of any of Domestic Insurer or Applicants’ goodwill, including goodwill related to this acquisition.

8. NEW JERSEY INSURANCE HOLDING COMPANY SYSTEMS ACT. Applicants (a) shall provide with respect to the Applicants and (b) shall exercise all efforts to cause the Domestic Insurer to provide with respect to itself and its affiliates other than the Applicants, regulatory information to the Department in accordance with New Jersey Insurance Holding Company Systems Act, N.J.S.A. 17:27A–1 et seq., annually and upon occurrence, including but not limited to, any development in ownership interests such that any person or entity possesses via in singular or aggregation of interests control as defined in N.J.S.A. 17:27A–1. Failure to comply with New Jersey’s Insurance Holding Company Systems Act shall result in appropriate action by the Department including but not limited to the placing of the insurer under an order of supervision in accordance with N.J.S.A. 17:30C–1 et seq., as determined.

9. CORPORATE RECORDS. Applicants shall exercise all efforts, including their voting rights and contractual rights, to ensure the Domestic Insurer continues to maintain its books

and records in a manner consistent with pre-acquisition practices and shall make all such items available for inspection by the Commissioner at any time. Following the acquisition, the Domestic Insurer shall continue to maintain its books and records in their current Department approved location or file an amendment with the Department to change its location within New Jersey.

10. BACKGROUND OF APPLICANTS. Applicants represent that none of the individuals relating to the Proposed Acquisition of Control who will exercise control subsequent to this acquisition, directly or indirectly, over Domestic Insurer, or its subsidiaries have been found guilty of, or have pleaded guilty or nolo contendere to a felony or a misdemeanor, other than a civil traffic offense.

If the Department determines that any individual who will exercise control subsequent to this acquisition, directly or indirectly, over Domestic Insurer, or its subsidiaries is unacceptable under New Jersey Law, the Applicants or their representatives, and Domestic Insurer shall remove the individuals in question within 30 days of notice and replace them with a person or persons acceptable to the Department, or shall undertake such other corrective action as directed by the Department.

11. ANNUAL AUDITED FINANCIAL STATEMENTS. Beginning with the year ended December 31, 2025, Applicants shall exercise all efforts, including their voting rights and contractual rights, to ensure the respective parties file annually the following with the Department:

(a) Domestic Insurer annual audited financial statement in accordance with NAIC guidelines;

(b) TPG Inc.'s annual audited financial statements in accordance with United States generally accepted accounting principles or a comparable standard as approved or permitted by the Department.

12. CONSUMMATION OF ACQUISITION OF CONTROL. Applicants shall provide the Department with written confirmation of the consummation of the acquisition of control by the end of the month in which the acquisition takes place but no later than 90 days after

the date of this Order. Applicants shall provide the Department with written details of the final purchase price after all adjustments used to complete the acquisition.

If the Proposed Acquisition of Control is not consummated within 90 days of the date of this Order and the Applicants intend to consummate the Proposed Acquisition of Control, the Applicants shall submit to the Commissioner a statement requesting an extension and shall include: (i) the reason for the Applicants' inability to consummate the Proposed Acquisition of Control; (ii) any material changes in the information contained in the Form A filing; and (iii) the current financial statements of the Applicants and Domestic Insurer. Any extensions shall be with the written approval of the Commissioner.

13. Applicants represent they have or will have obtained prior to consummation of the Proposed Acquisition of Control all the required regulatory approvals in connection with the Form A filing. Approval of the Form A filing relates to the specific change of control requirements pursuant to New Jersey law only and is not a substitute for any other regulatory approval required. Further, the approval does not constitute approval or acceptance of any transactions or agreements which are either implicitly or explicitly disclosed in the Form A filing.

December 5, 2025
Date


Justin Zimmerman
Commissioner

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