

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,)	HEARING OFFICERS'
LLC, TPG OPERATING GROUP II, L.P., TPG)	REPORT
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)	

Procedural History

In accordance with N.J.S.A. 17:27A-2, by a filing dated August 19, 2025, which amended and restated in their entirety filings dated March 12, 2025 and June 25, 2025, Slate Bermuda Holdings LP (“Slate LP”), Slate Bermuda Holdings Manager, LLC (“Slate GP”), Angelo, Gordon & Co., L.P. (“AG & Co.”), AG GP, LLC (“AG GP”), TPG Operating Group II, L.P. (“TPG OG”), TPG Holdings II-A, LLC (“TPG Holdings”), TPG GPCo, LLC (“TPG GPCo”), TPG Inc. (“TPG”), TPG Group Holdings (SBS), L.P. (“TPG Group LP”), Alabama Investments (Parallel), LP (“Alabama LP”), TPG Group Holdings (SBS) Advisors, LLC (“TPG Group LLC”), Alabama Investments (Parallel) GP, LLC (“Alabama LLC”) and TPG GP A, LLC (“TPG GP A”) (each an “Applicant” and collectively, the “Applicants”) filed with the New Jersey Department of Banking and Insurance (the “Department”) an application to acquire control (the “Form A filing” or “Proposed Acquisition of Control”) of Watford Specialty Insurance Company (the “Domestic Insurer”), a New Jersey domiciled excess and surplus lines insurance company.

The Domestic Insurer is a direct wholly-owned subsidiary of Watford Holdings (US) Inc., which, in turn, is a direct wholly-owned subsidiary of Watford Holdings (UK) Ltd. Watford Holdings (UK) Ltd is wholly-owned by Somers Re Ltd., which, in turn, is a direct wholly-owned subsidiary of Somers Group Holdings Ltd. Somers Group Holding Ltd. is wholly owned by Greysbridge Holdings Ltd. (“Greysbridge”). At the time the Applicants entered into the Purchase Agreement (defined below), 100% of the issued and outstanding common shares of Greysbridge (the “Common Shares”) were collectively held by Arch Reinsurance Ltd. (“Arch”), WP Windstar Investments Ltd. (“Warburg”), William Holding 1, L.P. (“William 1”), William Holding 2, L.P. (“William 2”), William Holding 3, L.P. (“William 3”) and Kelso Investment Associates X, L.P. (“KIAX, and together with William 1, William 2 and William 3, “Kelso”). Specifically, Arch held 1,200,000 Common Shares (40% of the total Common Shares), Kelso held 900,000 Common Shares (30% of the total Common Shares) and Warburg held 900,000 Common Shares (30% of the total Common Shares). Since the Applicants’ entry into the Purchase Agreement, certain third-party investors unaffiliated with the Applicants have also invested in Greysbridge.

As negotiated as part of their acquisition of Common Shares, Kelso and Warburg each have a put right to sell their Common Shares to Arch (such Common Shares, the “Put Shares”), pursuant to a Common Shareholders’ Agreement among Greysbridge, Arch, Kelso and Warburg (as amended, the “Original Shareholders’ Agreement”). On August 13, 2024, Kelso and Warburg each exercised their respective put right with respect to 300,000 Put Shares. Under the Original Shareholders’ Agreement, Arch is entitled to assign its obligation to purchase the Put Shares to one or more third parties.

On January 5, 2025, Slate Investment Aggregator LLC (“Slate LLC”)¹, Greysbridge, Arch, Warburg and Kelso entered into a Share Purchase Agreement (as amended by Amendment No. 1, which was entered into on June 20, 2025, to the Share Purchase Agreement, the “Purchase Agreement”), pursuant to which, subject to the terms and conditions set forth therein, Slate LP agreed to purchase 778,315 Common Shares (the “Acquired Shares”) from a combination of Kelso, Warburg, and Greysbridge (as further described below), representing approximately 25.94% of the Common Shares. Accordingly, as a result of the consummation of the Proposed Acquisition of Control (the “Closing”), the Applicants, through Slate LP, will acquire control of the Domestic Insurer, as defined by N.J.S.A. 17:27A-1.

Pursuant to N.J.S.A. 17:27A-2(d) and after notice was provided in three newspapers of general circulation, the Star Ledger, the Bergen Record, and the Courier Post, and on the Department’s website, a public hearing on the record was held on the Form A filing on December 3, 2025. The hearing panel and Department staff determined that the documents filed in connection with the Proposed Acquisition of Control satisfied the requirements of N.J.S.A. 17:27A-2(b). Public comments were allowed to be submitted through the close of business on December 3, 2025. No comments were received and the record was closed on December 3, 2025.

¹ For purposes of consummating the Applicants’ investment in Greysbridge, on February 27, 2025, Slate LP was joined to the Purchase Agreement (defined below) as a party to the same extent as Slate LLC. Pursuant to a release agreement, dated as of February 28, 2025, Slate LLC was released from its rights and obligations under the Purchase Agreement. Therefore, Slate LP, and not Slate LLC, will fulfill the rights and obligations of Slate LLC under the Purchase Agreement. As such, Slate LP, and not Slate LLC, was included as an Applicant under the Form A filing.

Findings of Fact

The Domestic Insurer was incorporated under the laws of the State of New Jersey on September 8, 2015, and commenced business on September 30, 2015. The Domestic Insurer is a New Jersey domiciled excess and surplus lines insurance company.

The Applicants are affiliates of TPG, a publicly traded Delaware corporation trading on NASDAQ under the symbol “TPG”. Together with its subsidiaries, TPG is a leading global alternative asset manager with \$261 billion in assets under management. TPG invests across a broadly diversified set of strategies, including private equity, impact, credit, real estate, and market solutions.

Pursuant to the Purchase Agreement, Slate LP will acquire the shares of Greysbridge in the Proposed Acquisition of Control. Slate LP is a Bermuda exempted limited partnership formed on February 10, 2025 for purposes of effecting the investment. Slate LP serves as an aggregator to facilitate the participation in the investment by its limited partners.² Slate LP is a newly formed entity that has not conducted any activities other than those that are incidental to its formation and the matters contemplated by the Purchase Agreement.

The general partner of Slate LP is Slate GP, a Bermuda limited liability company established on February 7, 2025 for purposes of effecting the investment. Slate GP is a newly formed entity that has not conducted any activities other than those that are incidental to its formation and the matters contemplated by the Purchase Agreement.

² The limited partners in Slate LP are investment funds managed by AG & Co. and intend to provide equity financing in respect of the investment but will have no management rights in respect of the Domestic Insurer or any of the Applicants. Following the Closing, none of such limited partners will individually own 10% or more of the ownership interests of the Domestic Insurer on a diluted basis.

The managing member of Slate GP is AG & Co., a Delaware limited partnership. AG & Co., which began operating as “TPG Angelo Gordon” following its acquisition by TPG in November 2023, is a \$74 billion diversified credit and real estate investing platform within TPG.

AG & Co.’s general partner is AG GP, a Delaware limited liability company. AG GP is primarily a general partner entity that does not have material operations. The managing member of AG GP is TPG OG, a Delaware limited partnership. TPG OG is controlled by TPG Holdings, a Delaware limited liability company, which is in turn controlled by TPG GPCo, a Delaware limited liability company. Each of AG GP, TPG OG, TPG Holdings and TPG GPCo is primarily a general partner entity, managing member or holding company without material operations. TPG GPCo is controlled by TPG, described above.

With respect to TPG, the Class B common stock of TPG represents approximately 94% of the outstanding voting interest in TPG, with the remaining approximately 6% of voting interests represented by Class A common stock, the voting class of which is publicly traded on NASDAQ and held by a diversified shareholder base.

TPG is indirectly controlled by TPG GP A.³ Specifically, TPG GP A, a Delaware limited liability company, through various intermediate holding entities, including the Applicants TPG Group LP, Alabama LP, TPG Group LLC and Alabama LLC, indirectly holds or controls the vote of 100% of the outstanding shares of Class B common stock of TPG.⁴ TPG GP A is the managing member of each of TPG Group LP, a Delaware limited partnership, and Alabama LP, a Delaware

³ Pursuant to N.J.S.A. 17:27A-3(J), a disclaimer of control (“Disclaimer”) relating to the Applicants’ Proposed Acquisition of Control of the Domestic Insurer was filed with and reviewed by the Department. The Disclaimer was conditionally granted for four individuals and will be effective upon an Order approving the Form A Filing.

⁴ Approximately 2.3% of the outstanding shares of Class B common stock of TPG are owned by vehicles not controlled by TPG GP A, but these vehicles have delegated to TPG GP A all of the voting rights associated with such Class B Common Stock.

limited liability company, which respectively hold approximately 74% and 17% voting interests in TPG through their respective ownership of TPG's Class B common stock. TPG Group LLC and Alabama LLC, each a Delaware limited liability company, are the general partners of TPG Group LP and Alabama LP, respectively. Each of TPG GP A, TPG Group LP, Alabama LP, TPG Group LLC and Alabama LLC is primarily a general partner entity, managing member or holding company without material operations. TPG GP A is the ultimate controlling person of the Applicants. However, for purposes of N.J.S.A. 17:27A-1 et seq., Arch Capital Group Ltd. will continue to be the ultimate controlling person of the Domestic Insurer following the consummation of the Proposed Acquisition of Control.

Pursuant to Section 1.3(a) of the Purchase Agreement, the consideration for the proposed investment will be an amount equal to \$339,034,110.38 (the "Purchase Price"). The Purchase Price reflects a price per share of approximately \$435.60 (the "Per Share Price"), which is based on the book value of Greysbridge derived from its audited financial statements for the fiscal year ended December 31, 2024, as determined in accordance with U.S. generally accepted accounting principles. The Purchase Price is not subject to any post-Closing adjustments. Slate LP will pay the Purchase Price by drawing down on equity capital commitments from its limited partners. In accordance with the Purchase Agreement, the Acquired Shares will be purchased as follows:

- (1) 202,500 Put Shares (101,250 from each of Kelso and Warburg), through the assignment by Arch to Slate LP of Arch's obligation to purchase such shares;
- (2) 275,815 additional Common Shares sold to Slate LP by each of Kelso and Warburg (137,907 from Kelso and 137,908 from Warburg) (the "Excess Shares"); and
- (3) 300,000 shares purchased from the Company by Slate LP (the "Subscription Shares").

The Per Share Price will apply to each of the Put Shares, Excess Shares and Subscription Shares.

In order to effect the purchase of the Subscription Shares, at the Closing, Slate LP will enter into a subscription agreement with Greysbridge. Pursuant to such subscription agreement, Greysbridge is required to issue the Subscription Shares to Slate LP (the “Subscription”) for a subscription amount determined in accordance with the Per Share Price. Concurrently with the Subscription, and as provided for in the Purchase Agreement, Greysbridge will redeem an equivalent number of Common Shares (i.e., 300,000 Common Shares) held by Arch pursuant to a redemption agreement to be entered into by Greysbridge and Arch.

As a result of and immediately following the Closing, Slate LP will hold approximately 25.94% of the Common Shares, and will therefore indirectly beneficially own such percentage of the stock of the Domestic Insurer. Accordingly, each of the Applicants will indirectly control the Domestic Insurer as of immediately following the Closing. In addition, following the Closing, and after giving effect to acquisitions by certain third-party investors (as referred above), Arch is expected to own 30% of the Common Shares, Kelso is expected to own approximately 15.40% of the Common Shares and Warburg is expected to own approximately 15.40% of the Common Shares.

As the Applicants have represented, the consummation of the Proposed Acquisition of Control is not subject to any financing condition or other financing contingency, and, therefore, there is no acquisition debt with regard to the Proposed Acquisition of Control.

The Applicants further represent that the nature and amount of consideration for the Proposed Acquisition of Control were determined through due diligence, arm’s length negotiations between the parties to the Purchase Agreement and consideration of a variety of factors of the

business to be acquired, including past and present business operations, historical and potential earnings, financial condition and prospects, and assets and liabilities.

The Applicants further represent that, except as otherwise described in Item 5 the Form A filing where the Applicants have the right to designate two members of the Board of Directors of Greysbridge, they have no present plans or proposals to cause the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell the Domestic Insurer's assets to or merge it with any person or persons or to make any other material change in the Domestic Insurer's business operation or corporate structure or management.

The Applicants provided the Department with audited financial statements of TPG for the years ended December 31, 2020, 2021, 2022, 2023, and 2024 (the "Audited Financial Statements"). The financial positions of AG & Co., TPG OG and TPG Holdings are reflected in the Audited Financial Statements. None of the other Applicants prepare audited financial statements.

Analysis

N.J.S.A. 17:27A-2(d)(1) provides that the Commissioner shall approve an acquisition of control of a domestic insurer unless he or she finds that one or more of seven disqualifying factors set forth therein exist. The statute provides in pertinent part:

(1) The Commissioner shall approve any merger or other acquisition of control ... unless, after a public departmental hearing thereon, he [or she] finds that:

(i) After the change of control the domestic insurer ... would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in

this State or tend to create a monopoly therein ... [applying the competitive standard as set forth in the statute];

(iii) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(iv) The financial condition of any acquiring party is such that (a) the acquiring party has not been financially solvent on a generally accepted accounting principles basis, or if an insurer, on a statutory accounting basis, for the most recent three fiscal years immediately prior to the date of the proposed acquisition (or for the whole of such lesser period as such acquiring party and any predecessors thereof shall have been in existence); (b) the acquiring party has not generated net before-tax profits from its normal business operations for the latest two fiscal years immediately prior to the date of acquisition (or for the whole of such lesser period as such acquiring party and any predecessors thereof shall have been in existence); or (c) the acquisition debt of the acquiring party exceeds 50% of the purchase price of the insurer;

(v) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(vi) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(vii) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

Upon a thorough review of the documents submitted into evidence, the hearing panel and Department staff have determined that none of the seven disqualifying factors set forth above should result if the Proposed Acquisition of Control is effectuated. Each of these conditions is discussed below.

First, after the acquisition, the Domestic Insurer will continue to meet the requirements to transact the business for which it is presently licensed pursuant to Title 17 of the New Jersey Statutes. There is nothing in the record to indicate that, after the Proposed Acquisition of Control, the Domestic Insurer would not be able to continue to satisfy the requirements to transact the business for which they are presently licensed.

Second, it does not appear that the Proposed Acquisition of Control will substantially lessen competition in the New Jersey insurance market or tend to create a monopoly therein. N.J.S.A. 17:27A-2(d)(1)(ii) provides that in applying this competitive standard, the standard set forth in N.J.S.A. 17:27A-4.1d shall apply. That statute utilizes a complex formula based on the market shares of the insurers involved in the transaction. The statute by its terms does not apply if, as an immediate result of the acquisition, there would be no increase in the overall market share of the involved insurers after the acquisition. See N.J.S.A. 17:27A-4.1(b)(2)(d). The Applicants submitted a competitive impact statement as part of the Form A filing and supplemental information provided to the Department. The Proposed Acquisition of Control meets the exemption standards under New Jersey law in all lines of business because the Applicants, the Applicants' affiliates, and the Domestic Insurer, do not compete in any lines of business in New Jersey. In this instance, none of the Applicants or their affiliates have any current insurance related market share in New Jersey. Accordingly, the Proposed Acquisition of Control will not violate the competitive standard set forth in N.J.S.A. 17:27A-4.1 because it does not substantially lessen competition in New Jersey or tend to create a monopoly therein.

Third, it does not appear that the financial condition of the Applicants will jeopardize the financial condition of the Domestic Insurer. The Applicants submitted consolidated financial statements of TPG (the "Audited Consolidated Financial Statements") for the years which ended

on December 31, 2022 through December 31, 2024 which were reviewed for adequacy and the review revealed no concerns. For the years which ended on December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report assets of \$10,535.1 million, \$9,369.7 million, and \$7,941.7 million, respectively. According to the Applicants' financial information, it does not appear that the financial condition of the Domestic Insurer will be jeopardized.

Fourth, it appears that the financial condition of the Applicants is such that they have been solvent for the three-year period immediately prior to the date of the Proposed Acquisition of Control. The Audited Consolidated Financial Statements for the years which ended on December 31, 2024, 2023, and 2022 report profit before income tax from operations. For the years which ended on December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report net income before taxes of (\$24.8) million, \$83.7 million, and (\$23.8) million, respectively, with cumulative profits of \$58.9 for the latest two fiscal years. Furthermore, for the years ended December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report total equity of \$3.6 billion, \$3.4 billion, and \$3.1 billion. Slate LP will pay the Purchase Price by drawing down on equity capital commitments from its limited partners. As noted above, the limited partners of Slate LP are investment funds managed by TPG Angelo Gordon and are expected to provide equity financing in respect of the investment, but will have no management rights in respect of the Domestic Insurer or any of the Applicants. Consummation of the Proposed Acquisition of Control is not subject to any financing condition or other financing contingency, and, therefore, there is no acquisition debt with regard to the Proposed Acquisition of Control. Accordingly, the requirement that the acquisition debt may not exceed fifty percent (50%) of the purchase price is satisfied.

Fifth, the Applicants do not propose to liquidate the Domestic Insurer or sell its assets. As set forth above, the Applicants do not intend to change the business operations, corporate structure, management, or general plan of operations other than as may arise in the ordinary course of business.

Sixth, there is nothing in the record from which it may be concluded that the competence, experience, and integrity of the persons who will control the operations of the Domestic Insurer are such that it would not be in the best interest of the policyholders and of the public to permit the acquisition of control. Following the Proposed Acquisition of Control, the Applicants will attain 25.94% control of the Domestic Insurer and there are no anticipated changes to the executive officers and Board of Directors of the Domestic Insurer in connection with the Proposed Acquisition of Control.

Seventh, there is nothing in the record from which it may be concluded that the Proposed Acquisition of Control is likely to be hazardous or prejudicial to the insurance buying public for the reasons set forth above.

Recommendation

Based on the foregoing analysis, the hearing panel, and Department staff recommend that the Proposed Acquisition of Control be approved.

Upon a thorough review of the foregoing, I concur with the findings, analysis and recommendations of the hearing panel and Department staff. I therefore recommend that the Proposed Acquisition of Control be approved.

December 4, 2025
Date

Jacqueline Dilks-Brotman
Hearing Officer

jd HO Report Watford by TPG/Orders

Exhibits List

In the Matter of the Acquisition of Control of Watford Specialty Insurance Company (the “Domestic Insurer”) by Slate Bermuda Holdings LP (“Slate 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”)

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| Exhibit 1 | Second Amended and Restated Form A Statement and related filings dated as of August 19, 2025 |
| Exhibit 2 | Amended and Restated Form A Statement and related filings dated as of June 25, 2025 |
| Exhibit 3 | Form A Statement and related filings dated as of March 12, 2025 (and supplemented on March 15, 2025) |
| Exhibit 4 | Supplement to Amended and Restated Form A dated as of July 16, 2025. Applicants provided notice of revisions to the Amended and Restated Common Shareholder’s Agreement |
| Exhibit 5 | Applicants submitted drafts of the Second Amended and Restated Form A Statement and related materials on August 5, 2025 |
| Exhibit 6 | Applicants submitted additional information to provide further clarity on the nature of the transaction on September 18, 2025 |
| Exhibit 7 | Applicants submitted supplemental redacted and confidential biographical affidavits on October 3, 2025 and October 27, 2025 |
| Exhibit 8 | Applicants submitted responses to Department requests for information on October 7, 2025 and October 30, 2025 |
| Exhibit 9 | Supplement to Second Amended and Restated Form A dated as of October 15, 2025. Applicants provided notice of reallocation of equity commitments among the Slate Limited Partners |
| Exhibit 10 | Waiver of 20-day notice of hearing submitted by Cynthia J. Borelli, Esq., Bressler Amery and Ross, P.C., on behalf of the Applicants |
| Exhibit 11 | Waiver of 20-day notice of hearing submitted by Barry Golub on behalf of the Domestic Insurer |
| Exhibit 12 | Affidavit of Publication of Notices of Hearing in The Record, reflecting publication on November 26, 2025 |

- Exhibit 13 Affidavit of Publication of Notice of Hearing in Courier Post, reflecting publication on November 26, 2025
- Exhibit 14 Affidavit of Publication of Notice of Hearing in the Star Ledger (on-line version), reflecting publication on November 26, 2025