

CAHILL

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Insurance & Reinsurance

Cahill is the firm of choice for insurance and reinsurance companies, insurance brokers, investment banks and other lending institutions doing business in the insurance industry. We help clients form insurance and reinsurance entities, structure and negotiate complex financial transactions, structure and draft insurance products and policies, manage investigations and regulatory proceedings and protect themselves in litigations and arbitrations. Our practice is top-ranked in New York by *Chambers USA* and is recommended by Euromoney's *Benchmark Litigation*.

Cahill lawyers have helped to raise billions of dollars to finance acquisitions, to replenish statutory surplus and to provide general working capital for clients such as J.P. Morgan Securities, Chartis, Integro Ltd., Validus Reinsurance, International Catastrophe Insurance Managers, and XL Group plc. Our active litigation practice has been instrumental in litigating or arbitrating billions of dollars of extraordinary insurance and reinsurance claims for clients such as Chartis, Arch Re, Centre/Zurich, Converium, Swiss Re and XL. Recently, we defeated a \$600 million claim in an arbitration on behalf of Centre Re, arising from discontinuation of a product line. In addition, we are defending certain affiliated insurers in a federal multidistrict antitrust/RICO putative class action filed against more than 100 brokers and insurers.

As the financial and insurance markets converge, our banking and other capital provider clients become increasingly involved in the assumption and transfer of insurance risk, just as our insurance enterprise clients become increasingly involved in the assumption and transfer of financial risk. Our prowess practicing in both markets reflects our ability to negotiate and structure the myriad of sophisticated financial transactions critical to their prosperity. We are representing AIG in its pending transaction with Berkshire Hathaway to transfer its legacy asbestos liabilities. We have represented various insurers in structuring sidecar reinsurance vehicles, including our representation of XL Re Ltd and XL Re Europe in its \$525 million sidecar reinsurance venture with Cyrus Reinsurance Limited and our representation of Arch Re in its \$800 million sidecar reinsurance arrangement with Flatiron Re. Both transactions involved raising equity capital and debt. We represented Arch Capital Group Ltd. and its predecessor in various strategic transactions, including: its sale of a prior reinsurance book business to Folksamerica Reinsurance Company; its redomestication to Bermuda; a \$760 million equity investment by affiliates of Warburg Pincus and Hellman & Friedman; various public equity offerings; credit facilities and \$400 million reinsurance joint venture to be formed in the Dubai International Financial Centre with the Gulf Investment Corporation.

Our lawyers have extensive experience in the formation and capitalization of new insurance ventures. Cahill has served as chief legal counsel in the formation of Bermuda and other offshore companies, including ACE, XL, Mid-Ocean and Arch Insurance. These entities were all formed to address capacity shortages and required innovative structuring, under compressed timelines to achieve the crucial investment, international and U.S. tax, regulatory and policy objectives required by a diverse group of private equity shareholders and newly formed management team. We represented Validus Reinsurance, a Bermuda reinsurance company formed to provide property and other related insurance globally, and Integro Ltd., a Cayman Island company formed to provide insurance brokerage and risk management services globally, in their formation and initial capitalization. More recently, we represented Ironshore Inc., a Bermuda-based global insurance company formed in response to the crisis conditions in the U.S. property catastrophe insurance markets, in its formation and initial capitalization of over \$1 billion.

Our lawyers have extensive experience structuring and drafting insurance products and policies and underwriting guidelines. Working with underwriting professionals, we drafted and have maintained the leading form of general liability policy form for large corporate accounts in use in the world today (the form first structured by ACE, XL, OCIL, LEMS and now widely used). We also develop products for directors and officers liability, professional errors and omissions (across all professions), employment practices liability, property, executive deferred income, finite risk, political risk, guarantee-type products for various types of securities (including hedge fund issuers) and managed aggregate products.

In the current regulatory environment, we are leading internal investigations and advising our insurance clients on the best response to government inquiries. Work in this area has included our representation of insurers and reinsurers in connection with the investigation by the New York Attorney General's Office into broker compensation issues and alleged bid-rigging. We also represent insurers and reinsurers in investigations by the Securities and Exchange Commission, Department of Justice and other regulatory agencies concerning finite insurance and reinsurance products.

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