

(I) IS CHARTERED AND LICENSED AS A LIABILITY INSURANCE COMPANY AND AUTHORIZED TO ENGAGE IN THE INSURANCE BUSINESS UNDER THE LAWS OF A STATE; OR

(II) 1. ON OR BEFORE DECEMBER 31, 1984, WAS CHARTERED OR LICENSED AND AUTHORIZED TO ENGAGE IN THE INSURANCE BUSINESS UNDER THE LAWS OF BERMUDA OR THE CAYMAN ISLANDS AND, ON OR BEFORE DECEMBER 31, 1984, HAD CERTIFIED TO THE INSURANCE COMMISSIONER OF AT LEAST ONE STATE THAT IT SATISFIED THE CAPITALIZATION REQUIREMENTS OF THAT STATE; AND

2. HAS BEEN ENGAGED IN BUSINESS CONTINUOUSLY SINCE JANUARY 1, 1985 AND ONLY FOR THE PURPOSE OF CONTINUING TO PROVIDE INSURANCE TO COVER PRODUCT LIABILITY OR COMPLETED OPERATIONS LIABILITY;

(5) THAT DOES NOT EXCLUDE A PERSON FROM MEMBERSHIP IN THE GROUP SOLELY TO PROVIDE FOR MEMBERS OF THE GROUP A COMPETITIVE ADVANTAGE OVER THAT PERSON;

(6) THAT:

(I) HAS AS ITS MEMBERS ONLY PERSONS THAT HAVE AN OWNERSHIP INTEREST IN THE GROUP AND HAS AS ITS OWNERS ONLY PERSONS THAT ARE MEMBERS OF THE GROUP AND ARE PROVIDED INSURANCE BY THE GROUP; OR

(II) HAS AS ITS SOLE OWNER AN ORGANIZATION THAT:

1. HAS AS ITS MEMBERS ONLY PERSONS THAT ARE MEMBERS OF THE GROUP; AND

2. HAS AS ITS OWNERS ONLY PERSONS THAT ARE MEMBERS OF THE GROUP AND ARE PROVIDED INSURANCE BY THE GROUP;

(7) THE MEMBERS OF WHICH ARE ENGAGED IN BUSINESSES OR ACTIVITIES THAT ARE SIMILAR OR RELATED WITH RESPECT TO THE LIABILITY TO WHICH THE MEMBERS ARE EXPOSED BY VIRTUE OF RELATED, SIMILAR, OR COMMON BUSINESS, TRADE, PRODUCTS, SERVICES, PREMISES, OR OPERATIONS;

(8) THE ACTIVITIES OF WHICH DO NOT INCLUDE THE PROVISION OF INSURANCE OTHER THAN:

(I) LIABILITY INSURANCE FOR ASSUMING AND SPREADING ALL OR PART OF THE LIABILITY OF ITS GROUP MEMBERS; AND

(II) REINSURANCE WITH RESPECT TO THE LIABILITY OF ANOTHER RISK RETENTION GROUP, OR A MEMBER OF THE OTHER RISK RETENTION GROUP, THAT IS ENGAGED IN BUSINESSES OR ACTIVITIES SO THAT THE RISK RETENTION GROUP OR MEMBER MEETS THE REQUIREMENT OF ITEM (7) OF THIS SUBSECTION OF MEMBERSHIP IN THE RISK RETENTION GROUP THAT PROVIDES THE REINSURANCE; AND