

PLATINUM UNDERWRITERS HOLDINGS LTD

Form 8-K

June 30, 2011

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES AND EXCHANGE ACT OF 1934
Date of Report (Date of Earliest Event Reported) June 24, 2011**

Platinum Underwriters Holdings, Ltd.
(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

001-31341
(Commission File Number)

98-041683
(IRS Employer
Identification No.)

**The Belvedere Building
69 Pitts Bay Road
Pembroke, Bermuda**
(Address of principal executive
offices)

HM 08
(Zip Code)

(441) 295-7195
(Registrant's telephone number, including area code)
N/A
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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1. On June 24, 2011 (the Effective Date), Platinum Underwriters Holdings, Ltd. (the Company) and its subsidiaries Platinum Underwriters Bermuda, Ltd., Platinum Underwriters Reinsurance, Inc. (collectively, the Account Parties) and Platinum Underwriters Finance, Inc. (Platinum Finance, and together with the Company and the Account Parties, the Credit Parties) entered into a three-year, \$300 million Second Amended and Restated Credit Agreement (the Second Amended and Restated Credit Agreement) with the Lenders party thereto, ING Bank N.V., London Branch, as Documentation Agent, U.S. Bank National Association, as Syndication Agent, and Wells Fargo Bank, National Association, as Administrative Agent, which amended and restated the Company s five-year \$400 million Amended and Restated Credit Agreement dated as of September 13, 2006, as amended by the First Amendment and Waiver dated as of April 24, 2007 and the Second Amendment dated as of December 3, 2007 (as so amended, the Prior Credit Agreement). Capitalized terms used but not defined herein have the meanings ascribed thereto in the Second Amended and Restated Credit Agreement.

The Second Amended and Restated Credit Agreement consists of a \$100,000,000 unsecured senior credit facility available for revolving borrowings and letters of credit, which letters of credit may be secured at the election of an Account Party (the Tranche 1 Facility), and a \$200,000,000 secured senior credit facility available for letters of credit (the Tranche 2 Facility). The Second Amended and Restated Credit Agreement provides that the aggregate commitments of \$300,000,000 may be increased by the Credit Parties by \$150,000,000, which increase may be allocated to the Tranche 1 Facility and/or the Tranche 2 Facility (such aggregate commitments, whether or not so increased, the Commitments). The Company and Platinum Finance have unconditionally guaranteed the obligations of each of the other Credit Parties under the Second Amended and Restated Credit Agreement. Borrowings and letters of credit under the Second Amended and Restated Credit Agreement are generally available for the working capital, liquidity and general corporate requirements of the Credit Parties.

Borrowings under the Second Amended and Restated Credit Agreement may be Base Rate Loans, which generally bear interest at the highest of (i) the Federal Funds Rate plus 0.5% per annum, (ii) the prime commercial lending rate of Wells Fargo Bank, National Association, or (iii) the one-month LIBOR Rate plus 1%; in each case plus an applicable percentage ranging from 0.125% to 1.125% based upon the Company s non-credit-enhanced, senior unsecured long-term debt rating by Moody s Investors Service, Inc. or Standard & Poor s Ratings Service (the Debt Rating), or LIBOR Loans, which generally bear interest at the LIBOR Rate plus an applicable percentage ranging from 1.125% to 2.125% (based upon the Debt Rating).

Among other customary fees, a fee is payable on letters of credit issued on an unsecured basis under the Tranche 1 Facility at a per annum rate ranging from 1.125% to 2.125% (based upon the Debt Rating) of the average daily aggregate amount available to be drawn under such unsecured letters of credit. The fee for letters of credit issued on a secured basis under the Tranche 1 Facility or the Tranche 2 Facility is payable at a per annum rate of 0.50% of the average daily aggregate amount available to be drawn under such secured letters of credit.

The Second Amended and Restated Credit Agreement contains representations, warranties and covenants customary for credit facilities of this nature. Among other covenants, the Company is required to maintain a ratio of Consolidated Indebtedness to Total Capitalization of not greater than 0.35 to 1.0, and to maintain a Consolidated Tangible Net Worth of not less than (i) the sum of (x) \$1,258,000,000, plus (y) 50% of the Company s Consolidated Net Income for each fiscal year (beginning with the fiscal year ending December 31, 2011) for which Consolidated Net Income is a positive amount plus (z) 75% of the aggregate increases in shareholders equity of the Company after March 31, 2011 by reason of the issuance or sale of Capital Stock of the Company (other than the issuance of Capital Stock by the Company or any subsidiary of the Company to their respective directors, officers and employees pursuant to employee benefit plans, employment agreements or other employment arrangements approved by the board of directors of the Company or such subsidiary) or the issuance and sale of Capital Stock of any subsidiary of the Company or other capital contribution to the Company minus (ii) the amount of any extraordinary dividend payment or repurchase of Capital Stock of the Company made during the term of the Second Amended and Restated Credit Agreement so long as and after giving effect thereto, (a) Consolidated Tangible Net Worth is not less than \$1,250,000,000 and (b) no Default or Event of Default has occurred and is continuing, and (c) each such payment or repurchase has been approved by the board of directors of the Company. In addition, each of the Company s regulated

insurance subsidiaries must maintain a financial strength rating from A.M. Best Company of at least B++ at all times.

If an Event of Default occurs, then, to the extent permitted in the Second Amended and Restated Credit Agreement, the Lenders may terminate the Commitments, accelerate the repayment of any outstanding loans, demand the deposit of cash collateral equal to 103% of the Lenders' letter of credit exposure, enforce any or all liens

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and security interests created under the related security documents and/or exercise any of the rights and remedies provided therein, terminate or give notice of nonrenewal in respect of any letter of credit in accordance with its terms and exercise all rights and remedies available to such Lenders under the Second Amended and Restated Credit Agreement, related security documents and applicable law or in equity.

Under the Second Amended and Restated Credit Agreement, an Event of Default is defined as (a) a failure to pay any principal or interest on any of the Loans or Reimbursement Obligations under the Second Amended and Restated Credit Agreement within designated time periods; (b) a failure to comply with certain specified covenants, conditions or agreements; (c) a failure to comply with any other conditions, covenants or agreements within 30 days after knowledge or written notice of such failure; (d) a breach of any representation or warranty made in the Second Amended and Restated Credit Agreement; (e) a failure to pay when due any principal or interest on any Indebtedness having an aggregate principal amount of at least \$25,000,000, or to comply with conditions, covenants or agreements in any agreement or instrument relating to such Indebtedness which causes or allows the holder thereof to cause such Indebtedness to be accelerated prior to its stated maturity; (f) the occurrence of certain bankruptcy, insolvency or reorganization events; (g) the occurrence of certain money judgments or ERISA events in excess of \$25,000,000; (h) the issuance of any orders of conservation or supervision in respect of any of the Company's regulated insurance subsidiaries; (i) the failure of any Security Document to be in full force and effect or the failure of any such Security Document to provide a valid and perfected security interest in the collateral covered thereby; (j) the failure of any of the obligations of the Guarantors to be legally valid and binding obligations; or (k) the occurrence of certain events constituting a change in control of the Company.

The Second Amended and Restated Credit Agreement requires that all loans shall be repaid in full no later than the third anniversary of the Effective Date, and all letters of credit shall expire at or prior to the earlier of one year after the date they are issued (or one year after any renewal or extension thereof) and the seventh day prior to the first anniversary of such third anniversary of the Effective Date.

Certain of the Lenders and their affiliates have in the past performed, and may in the future from time to time perform, investment banking, financial advisory, lending and/or commercial banking services, or other services for the Company and its subsidiaries, for which they have received, and may in the future receive, customary compensation and expense reimbursement.

On the Effective Date, outstanding unsecured letters of credit in the amount of approximately \$117.1 million that were outstanding under the Prior Credit Agreement were deemed continued under the Tranche 1 Facility and the Tranche 2 Facility.

The foregoing description of the Second Amended and Restated Credit Agreement does not purport to be a complete statement of the parties' rights and obligations under the Second Amended and Restated Credit Agreement and the transactions contemplated thereby. The foregoing description is qualified in its entirety by reference to the Second Amended and Restated Credit Agreement, a copy of which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

2. On June 30, 2011, the Account Parties entered into a new two and one-half year committed letter of credit issuance facility in the maximum aggregate amount of \$100 million (the Facility) with Citibank Europe plc (Citibank) pursuant to a committed letter of credit issuance facility letter (the Facility Letter), an insurance letters of credit master agreement (the Master Agreement) and other ancillary documents (collectively, the Facility Documents).

Under the terms of the Facility, up to \$100 million is available for the issuance of letters of credit, which will be principally utilized to support reinsurance obligations of the Account Parties. No letter of credit will be issued under the Facility after December 31, 2013. In addition, any letter of credit issued under the Facility will expire no later than December 31, 2014.

The Facility Documents contain representations, warranties and covenants customary for letter of credit facilities of this nature, including a requirement to maintain sufficient collateral, consisting of cash and certain specified types of investment securities, to cover the obligations under the Facility. In the case of an event of default under the Facility Documents (which includes a breach of the Master Agreement and any failure of an Account Party to perform its obligations under its pledge agreement), Citibank may exercise certain remedies, including sale of the collateral. The Facility Documents also provide for the payment by the Account Parties of customary fees and expenses.

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The foregoing description of the Facility does not purport to be a complete statement of the parties' rights and obligations under the Facility and the transactions contemplated thereby. The foregoing description is qualified in its entirety by reference to the Facility Letter and the Master Agreement, copies of which are attached as Exhibits 10.3 and 10.4, respectively, hereto and are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of Registrant.

The information included pursuant to Item 1.01 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d)	Exhibits.
Exhibit 10.1	Second Amended and Restated Credit Agreement, dated as of June 24, 2011, among Platinum Underwriters Holdings, Ltd., Platinum Underwriters Bermuda, Ltd., Platinum Underwriters Reinsurance, Inc., Platinum Underwriters Finance, Inc., the Lenders party thereto, ING Bank N.V., London Branch, as Documentation Agent, U.S. Bank National Association, as Syndication Agent, and Wells Fargo Bank, National Association, as Administrative Agent.
Exhibit 10.2	List of Contents of Exhibits and Schedules to the Second Amended and Restated Credit Agreement. Platinum Underwriters Holdings, Ltd. agrees to furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 10.3	Committed Letter of Credit Issuance Facility Letter dated June 30, 2011 among Platinum Underwriters Bermuda, Ltd., Platinum Underwriters Reinsurance, Inc., Platinum Underwriters Holdings, Ltd. (solely for purposes of paragraph 9.2 thereof) and Citibank Europe plc.
Exhibit 10.4	Insurance Letters of Credit Master Agreement dated June 30, 2011 among Platinum Underwriters Bermuda, Ltd., Platinum Underwriters Reinsurance, Inc. and Citibank Europe plc.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Platinum Underwriters Holdings, Ltd. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PLATINUM UNDERWRITERS
HOLDINGS, LTD.

By: /s/ Michael E. Lombardozzi
Michael E. Lombardozzi
Executive Vice President, General
Counsel and Chief Administrative
Officer

Date: June 30, 2011

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Exhibit Index

Exhibit Number	Description
Exhibit 10.1	Second Amended and Restated Credit Agreement, dated as of June 24, 2011, among Platinum Underwriters Holdings, Ltd., Platinum Underwriters Bermuda, Ltd., Platinum Underwriters Reinsurance, Inc., Platinum Underwriters Finance, Inc., the Lenders party thereto, ING Bank N.V., London Branch, as Documentation Agent, U.S. Bank National Association, as Syndication Agent, and Wells Fargo Bank, National Association, as Administrative Agent.
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