

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Charles D. Barber,	:	Holding Companies Act, Article
Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for the	:	Law of 1921, Act of May 17, 1921,
Acquisition of Additional Stock of	:	P.L. 682, as amended, 40 P.S.
Perpetual Assurance Holding Company,	:	§§991.1401, 991.1402, and
the Corporate Parent of The Green Tree	:	991.1403
Perpetual Assurance Company	:	
	:	
	:	
	:	ID-RC-02-27

DECISION AND ORDER

AND NOW, on this __18th____ day of November, 2002, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of the Parties

1. The Green Tree Perpetual Assurance Company (“Green Tree”) is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business located in West Chester, Pennsylvania.
2. Perpetual Assurance Holding Company (“Parent”) is an insurance holding company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business located in West Chester, Pennsylvania. Parent directly holds 100%

of the issued and outstanding capital stock of Green Tree.

3. Charles D. Barber ("Mr. Barber") currently controls 490 shares of the 1,000 issued and outstanding voting common stock of Parent, which is 49%.
4. Pursuant to 40 P.S. §991.1401, Mr. Barber is an ultimate controlling person of Green Tree.

Filing of the Application

5. On November 15, 2002, the Insurance Department of the Commonwealth of Pennsylvania ("Department") received an initial request (which together with all material received subsequently is collectively referenced as "Request") from Mr. Barber for approval to acquire the 51% of the outstanding voting stock of Parent that he does not current control.
6. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. ("Insurance Holding Companies Act"), provides that all changes in control of domestic insurers must be filed with the Department for approval or disapproval.
7. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
8. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction does not have the effect of changing or influencing the control of a domestic insurer.

The Transaction

9. As described in the Request, after the contemplated transaction Mr. Barber would hold 100% of the issued and outstanding common stock of Parent.
10. As provided in the Request, Mr. Barber would continue to be an ultimate controlling person of Green Tree.
11. The Deputy Commissioner finds that the transaction described in the Request would not have the effect of changing or influencing the ultimate control of a domestic insurer.
12. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of voting securities if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Request satisfies the requirements of all applicable laws and regulations.
3. The acquisition of additional common stock proposed in the Request is not being contemplated to change or influence the ultimate control of Green Tree and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
4. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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Perpetual Assurance Holding Company,	:	§§991.1401, 991.1402, and
the Corporate Parent of The Green Tree	:	991.1403
Perpetual Assurance Company	:	
	:	
	:	
	:	ID-RC-02-27

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination for the request of Charles D. Barber, requesting exemption from the requirements of 40 P.S. §991.1402 for the acquisition of additional stock of Perpetual Assurance Holding Company, the corporate parent of The Green Tree Perpetual Insurance Company, as set forth in the Request, is hereby granted subject to this Order.

This Order is effective immediately and valid for one year from the date of signature, provided there are no significant changes from the Request.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Regulation of Companies