

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to the Insurance Company
	:	Law, Act of May 17, 1921, P.L. 682,
The Request of Hannahstown Mutual	:	<u>as amended</u> , 40 P.S. §§341 <u>et seq.</u>
Insurance Company for Approval to	:	
Surrender its Certificate of Authority to	:	
Operate as an Insurance Company	:	
	:	Order No. ID-RC-16-19

DECISION AND ORDER

AND NOW, on this 2nd day of November, 2016, Joseph DiMemmo, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania ("Deputy Commissioner"), hereby makes the following Decision and Order:

Pursuant to the Insurance Company Law, and in consideration of the documents, representations, 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 Applicant

1. Hannahstown Mutual Insurance Company ("Hannahstown") is a mutual property insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Saxonburg, Pennsylvania.
2. Hannahstown holds a certificate authorizing the transaction of the business of insurance in this Commonwealth ("Certificate of Authority").

The Surrender Filing

3. On July 29, 2016, the Pennsylvania Insurance Department ("Department") received a request (which, together with all material received subsequently, is hereinafter referenced as "Request") from Hannahstown to voluntarily surrender its Certificate of Authority.

Department Procedures

4. On September 3, 2016, the Department published notice in the *Pennsylvania Bulletin* that the Request was submitted by Hannahstown, and such notice invited interested persons to submit comments to the Department regarding the Request for a 30-day period.
5. During the 30-day period, the Department received no comments regarding the Request.

Background

6. On November 2, 2016, the Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner") issued an Order to Hannahstown approving the company's request to reinsure its entire schedule of policies with Conemaugh Valley Mutual Insurance Company ("Conemaugh") through the execution of an Assumption Reinsurance Agreement and Agreement for Acquisition of Assets and Assumption of Liabilities ("Bulk Transfer").
7. As a condition to the November 2, 2016, Order, Hannahstown is to surrender its Certificate of Authority immediately following the closing of the Bulk Transfer.
8. The Request included documentation that Hannahstown's board of directors has resolved to surrender the Certificate of Authority.
9. The Request included documentation that Hannahstown had filed a Plan of Withdrawal with the Pennsylvania Insurance Department.
10. 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. Inasmuch as Hannahstown will be a going concern, the Department's approval of the Request will have no impact on any creditors of Hannahstown.
2. After the surrender of the Certificate of Authority, Hannahstown will no longer be authorized to transact the business of insurance in this Commonwealth.
3. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
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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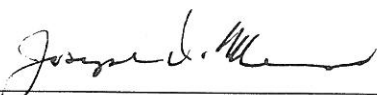
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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania ("Deputy Commissioner") hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on July 29, 2016, by Hannahstown Mutual Insurance Company ("Hannahstown"), subject to the following conditions:

1. Hannahstown shall not surrender its Certificate of Authority unless and until Hannahstown and Conemaugh Valley Mutual Insurance Company ("Conemaugh") have consummated the Assumption Reinsurance Agreement and Agreement for Acquisition of Assets and Assumption of Liabilities ("the Agreements").
2. After Hannahstown surrenders its Certificate of Authority, Hannahstown shall not engage in transacting the business of insurance in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department ("Department").
3. Should Hannahstown, as a continuing business corporation, determine that at some time in the future it would like to engage in the business of insurance, it will be necessary to file a new application with the Department for an appropriate Certificate of Authority.

This Order is effective immediately and valid for one (1) year, provided no material changes are made to the transaction prior to consummation. This one year limitation does not apply to any conditions prescribed by the Department in the Order.



JOSEPH DIMEMMO
Deputy Insurance Commissioner
Commonwealth of Pennsylvania