

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Lombard International US	:	Holding Companies Act, Article
Holdings, Inc. Requesting Exemption	:	XIV of the Insurance Company
from the Requirements of 40 P.S.	:	Law of 1921, Act of May 17, 1921,
§991.1402 for the Restructuring of its	:	P.L. 682, <u>as amended</u> , 40 P.S.
holding company which includes Lombard	:	§§991.1401, 991.1402, and
International Life Assurance Company	:	991.1403
	:	
	:	Order No. ID-RC-16-22

DECISION AND ORDER

AND NOW, on this 29th day of December, 2016, Joseph DiMemmo, 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. Lombard International Life Assurance Company (the “Domestic Insurer”) is a stock life insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.

2. Lombard International US Holdings, Inc. (“Lombard US Holdings”) is a business corporation organized pursuant to the laws of the State of Delaware. The Domestic Insurer is a direct wholly-owned subsidiary of Lombard US Holdings.
3. LIA Holdings, Ltd. (“LIAH”) is a company organized pursuant to the laws of the Cayman Islands. Lombard US Holdings is a direct wholly-owned subsidiary of LIAH.
4. LIAH’s shareholders consist of Cayman Islands exempted limited partnerships (the “LIAH Shareholders”). The LIAH Shareholders are listed in Exhibit 1.
5. Blackstone Tactical Opportunities Management Associates (Cayman) L.P. (“BTO Management Associates”), a Cayman Islands exempted limited partnership, is the general partner for all but two of the LIAH Shareholders.
6. BTO GP L.L.C. (“BTO GP”), a limited liability company organized pursuant to the laws of the State of Delaware, is the general partner of one of the LIAH Shareholders.
7. Blackstone Family GP L.L.C. (“Blackstone Family GP”), a limited liability company organized pursuant to the laws of the State of Delaware, is the general partner of one of the LIAH Shareholders.
8. Blackstone Tactical Opportunities LR Associates (Cayman) Ltd. (“BTO LR Associates”), a Cayman Islands exempted company, is one of two general partners of BTO Management Associates. BTO GP is the other general partner of BTO Management Associates.
9. Blackstone Holdings III L.P. (“Blackstone Holdings III”), a Canada limited partnership, owns all of the shares of BTO LR Associates and is the sole member of BTO GP.
10. Blackstone Holdings III GP L.P. (“Blackstone Holdings III GP”), a Delaware limited partnership, is the general partner of Blackstone Holdings III.
11. Blackstone Holdings III GP Management, L.L.C. (“Blackstone Holdings III GP Management”), a Delaware limited liability company, is the general partner of Blackstone Holdings III GP.
12. The Blackstone Group L.P. (“Blackstone Group”), a Delaware limited partnership that is publicly traded on the New York Stock Exchange, is the sole member of Blackstone Holdings III GP Management.
13. Blackstone Group Management L.L.C. (“Blackstone Group Management”), a limited liability company organized pursuant to the laws of the State of Delaware, is the general partner of Blackstone Group.

14. Stephen A. Schwarzman is an individual with his principal place of business in New York, New York. Mr. Schwarzman controls both Blackstone Group Management and Blackstone Family GP.
15. BTO Management Associates, BTO GP, Blackstone Family GP, BTO LR Associates, Blackstone Holdings III, Blackstone Holdings III GP, Blackstone Holdings III GP Management, Blackstone Group, Blackstone Group Management and Mr. Schwarzman are the “Delegating Persons”.
16. Menes O. Chee is an individual with his principal place of business in New York, New York.
17. Andrea Valeri is an individual with his principal place of business in London, United Kingdom.
18. Pursuant to the terms of a Joint Investment Committee Agreement, effective June 30, 2015, the Delegating Persons delegated all of their respective powers and control to direct or cause the direction of the management and policies of LIAH with respect to Lombard US Holdings and its subsidiaries, including the Domestic Insurer, to the Investment Committee Members.
19. Messrs. Chee and Valeri are the “Investment Committee Members”.
20. The Investment Committee Members are the ultimate controlling persons of the Domestic Insurer.
21. BTO LIA Holdings (Cayman), L.P. (“BTO LIAH”) is an exempted limited partnership formed specifically for this transaction, organized pursuant to the laws of the Cayman Islands.
22. BTO Holdings Cayman Manager L.L.C. (“Cayman Manager”), a limited liability company organized pursuant to the laws of the State of Delaware, is the general partner of BTO LIAH.
23. BTO Management Associates is the managing member of Cayman Manager.

Filing of the Application

24. On December 1, 2016, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from Lombard US Holdings for approval to restructure its insurance holding company system.

25. 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 transactions affecting the control of a domestic insurer must be filed with the Department for approval or disapproval.
26. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
27. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a. does not have the effect of changing or influencing the control of a domestic insurer, or
 - b. is otherwise not comprehended within the purposes of the section.

The Transaction

28. As described in the Application, the LIAH Shareholders propose to transfer all of their respective shares of voting stock of LIAH to BTO LIAH in exchange for limited partnership interests in BTO LIAH (hereinafter “the Transfer”).
29. As described in the Application, upon completion of the Transfer, BTO LIAH will directly hold 100% of the issued and outstanding voting stock of LIAH.
30. As described in the Application, in connection with the Transfer, Cayman Manager will become a party to and agree to be bound by the Joint Investment Committee Agreement.
31. As described in the Application, the Investment Committee Members will remain as the ultimate controlling persons of the Domestic Insurer.
32. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Insurance Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.
33. The Deputy Commissioner finds that the transactions described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
34. 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 controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Insurance Commissioner has delegated authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer to the Deputy Insurance Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
4. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The restructuring of the holding company system proposed in the Application is not being contemplated to change or influence the ultimate control of the Domestic Insurer, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
6. 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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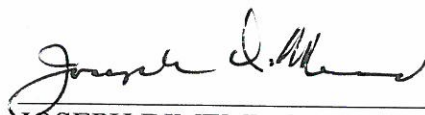
ORDER

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

An approving determination for the application of Lombard International US Holdings, Inc. requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its insurance holding company system that includes Lombard International Life Assurance Company, as set forth in the Application, is hereby granted.

This Order is effective immediately and valid for one year, provided there are no material changes to the representations provided in the application.





JOSEPH DIMEMMO
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation