

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Section 357 of the
	:	Insurance Company Law of 1921,
Application of The Insurance Company of	:	Act of May 17, 1921, P.L. 682, No.
the State of Pennsylvania for Approval to	:	284, <u>as amended</u> , 40 P.S. §477e
Redomesticate from the Commonwealth	:	
of Pennsylvania to the State of Illinois	:	Order No. ID-RC-16-25

DECISION AND ORDER

AND NOW, on this 15<sup>th</sup> day of December, 2016, Joseph DiMemmo, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (the "Deputy Insurance Commissioner"), hereby makes the following Decision and Order:

Pursuant to the Insurance Company Law of 1921 and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Insurance Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

**Identity of Applicant**

1. The Insurance Company of the State of Pennsylvania ("ICSP") is a domestic stock property insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in New York, New York.
2. AIG Property Casualty U.S., Inc. ("AIGPC") is a Delaware corporation with its principal place of business in New York, New York. AIGPC currently directly holds 100% of the issued and outstanding stock of ICSP.

**Filing of Application**

3. On July 27, 2016, the Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner") received an initial application (which, together with all material received subsequently, is collectively referenced as "Application") for approval of the redomestication of ICSP from the Commonwealth of Pennsylvania to the State of Illinois.

4. The Application included a request for the licensure of ICSP as a foreign insurance company organized under the laws of the State of Illinois effective simultaneous with its redomestication.
5. Section 357 of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §477e (the “Insurance Company Law”), provides that any transfer of domicile to any other state by a domestic insurer must be filed with the Commissioner for approval or disapproval.
6. Section 357(b) of the Insurance Company Law provides that, upon any transfer of domicile to any other state by a domestic insurer, said insurer shall be admitted to the Commonwealth of Pennsylvania if qualified as a foreign insurer.
7. As represented in the Application, the redomestication will have no impact on Pennsylvania employment.
8. As represented in the Application, the redomestication is being pursued in order to reduce ICSP’s premium tax burden and to correspondingly reduce expenses.
9. On July 12, 2016, the Board of Directors of ICSP adopted a resolution consenting to the redomestication of ICSP from the Commonwealth of Pennsylvania to the State of Illinois.
10. On July 12, 2016, AIGPC, as the sole shareholder of ICSP, consented to the redomestication of ICSP from the Commonwealth of Pennsylvania to the State of Illinois.

#### **Department Procedures**

11. On August 13, 2016, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by ICSP and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending September 12, 2016.
12. During the thirty (30) day comment period, the Department received no comments regarding the Application.
13. The Commissioner has delegated to the Deputy Insurance Commissioner authority to approve the application of domestic insurance companies seeking to redomesticate from Pennsylvania to a foreign jurisdiction.
14. 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. The Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of ICSP.
2. The Commissioner has delegated authority to approve the applications of domestic insurance companies seeking to redomesticate from Pennsylvania to a foreign jurisdiction to the Deputy Insurance Commissioner.
3. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes this redomestication is in accordance with law and is not injurious to the interest of all ICSP policyholders.
4. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes that ICSP would satisfy the requirements for licensure in the Commonwealth of Pennsylvania as a foreign insurer upon its redomestication to the State of Illinois.
5. The Application was properly filed pursuant to and in accordance with the Insurance Company Law.
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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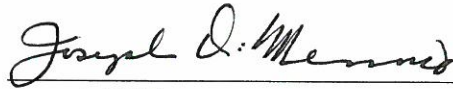
ORDER

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

An approving determination for the redomestication of The Insurance Company of the State of Pennsylvania ("ICSP") to the State of Illinois and the issuance of a Certificate of Authority to ICSP as a foreign stock property insurance corporation as set forth in the Application, subject to this Order and the following conditions:

1. ICSP shall obtain approval of the redomestication from the Illinois Department of Insurance. A certified copy of the approval issued by the Illinois Department of Insurance shall be provided to the Deputy Insurance Commissioner within three (3) business days of receipt by ICSP.
2. ICSP shall file governing documents with the Illinois Department of Insurance. ICSP shall provide the Deputy Insurance Commissioner with a copy of the governing documents indicating receipt by the Illinois Department of Insurance.
3. ICSP shall surrender its current Certificate of Authority as a domestic insurance corporation to the Deputy Insurance Commissioner in exchange for the issuance of a Certificate of Authority as a foreign insurance corporation within seven (7) days of filing the governing documents with the Illinois Department of Insurance.
4. ICSP shall file a Statement of Domestication with the Pennsylvania Department of State, Corporation Bureau within five (5) days of receiving all prerequisite documents.
5. ICSP shall provide a copy of the Statement of Domestication evidencing acceptance by the Pennsylvania Department of State to the Deputy Insurance Commissioner within ten (10) days of receipt.

This Order is effective immediately and is valid for one (1) year from the date of signature, provided there are no material changes to the Application.

A handwritten signature in black ink, reading "Joseph DiMemmo", written over a horizontal line.

Joseph DiMemmo  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation

