

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 4161 and
	:	4162 of the Business Corporation
Application of Bankers Independent	:	Law of 1988, Act of December 21,
Insurance Company for Approval to	:	1988, P. L. 1444, <u>as amended</u> ,
Redomesticate from the State of	:	15 Pa.C.S. §§ 4161 and 4162, and
Maryland to the Commonwealth of	:	Section 357 of the Insurance
Pennsylvania	:	Company Law, Act of May 17,
	:	1921, P.L. 682, No. 284, <u>as</u>
	:	<u>amended</u> , 40 P.S. § 477e
	:	
	:	Order No. ID-RC-06-23

DECISION AND ORDER

AND NOW, on this 18th day of August, 2006, M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Business Corporation Law and the Insurance Company Law and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Commissioner hereby makes the following Findings of Fact:

FINDINGS OF FACT

Identity of the Applicant

1. Bankers Independent Insurance Company (“Bankers Independent”) is a foreign stock casualty insurance company organized under the laws of Maryland with its principal place of business located in Gaithersburg, Maryland.
2. Maryland Diversified Corporation (“Maryland Diversified”) is a business corporation organized under the laws of the state of Maryland, with its principal place of business located in Conshohocken, Pennsylvania. Maryland Diversified directly holds 100% of the issued and outstanding

voting stock of Bankers Independent.

3. Independent Insurance Investments, Inc. ("Parent") is a business corporation organized under the laws of Delaware with its principal place of business located in New York, New York. Parent indirectly controls 100% of the issued and outstanding voting stock of Maryland Diversified.
4. Parent is the sole ultimate controlling person of Bankers Independent.

Filing of the Application

5. On June 23, 2006, the Insurance Department of the Commonwealth of Pennsylvania ("Department") received an initial application (which, together with all material received subsequently, is collectively referenced as "Application") from Bankers Independent for approval to redomesticate from the State of Maryland to the Commonwealth of Pennsylvania.
6. The Application was filed pursuant to Sections 4161 and 4162 of the Business Corporation Law, as amended, 15 Pa.C.S. §§4161 and 4162 (cited as "Business Corporation Law"), and Section 357 of the Insurance Company Law, Act of May 17, 1921, P.L. 682, No. 284, as amended, 40 P.S. §477e (cited as "Insurance Company Law").

Notice of Filing and Comments

7. On July 15, 2006, the Insurance Department of the Commonwealth of Pennsylvania ("Department") published notice in the Pennsylvania Bulletin that the Application was submitted by Bankers Independent, and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending August 14, 2006.
8. During the thirty (30) day period, the Department received no comments regarding the Application.

The Transaction

9. Bankers Independent currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact property & allied lines, inland marine & auto physical damage, accident & health, burglary & theft and auto liability classes of insurance business.

10. Bankers Independent desires to redomesticate to the Commonwealth of Pennsylvania as a domestic stock casualty insurance company.
11. On December 5, 2005, the Board of Directors of Bankers Independent passed a resolution that the company redomesticate from the State of Maryland to the Commonwealth of Pennsylvania ("the Resolution").
12. On December 5, 2005, Maryland Diversified approved the Resolution.
13. Bankers Independent has indicated that its principal place of business will change to Conshohocken, Pennsylvania.
14. Bankers Independent has stated that it will transact the business of insurance in the Commonwealth in accordance with applicable laws, including the Insurance Company Law.
15. 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. Section 357 of the Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of Bankers Independent.
2. A redomestication by a foreign business corporation is provided for in subsection 4161(a) of the Business Corporation Law.
3. The Application satisfies the requirements of all applicable laws and regulations.
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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ORDER

Upon consideration of the foregoing, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) hereby makes the following Order:

The Application of Bankers Independent Insurance Company (“Bankers Independent”) for approval to redomesticate from the State of Maryland to the Commonwealth of Pennsylvania and the issuance of a Certificate of Authority as a domestic stock casualty insurance corporation, as set forth in the Application, is hereby granted, subject to this Order and the following conditions:

1. Bankers Independent shall file Articles of Domestication with the Pennsylvania Department of State in accordance with subsection 4161(b) of the Business Corporation Law after receipt of the approval of the Maryland Department of Insurance and within one year of the date of this order.
2. Bankers Independent shall comply with the requirements of 40 P.S. Section 991.1405 (c)(3) and (4) prior to filing Articles of Domestication with the Pennsylvania Department of State.

3. Bankers Independent shall file a copy of the Articles of Domestication, as filed with the Pennsylvania Department of State, with the Insurance Department within ten (10) days of receipt from the Pennsylvania Department of State.
4. At the time the Articles of Domestication are filed with the Insurance Department, Bankers Independent shall surrender its current Certificate of Authority as a foreign insurance corporation in exchange for the issuance of a Certificate of Authority as a domestic stock casualty insurance corporation.

This Order is effective immediately.

M. Diane Koken
Insurance Commissioner
Commonwealth of Pennsylvania