

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402, and
	:	1403 of the Insurance Holding
Application of Columbian Mutual	:	Companies Act, Article XIV of the
Life Insurance Company Requesting	:	Insurance Company Law of 1921,
Exemption from the Requirements	:	Act of May 17, 1921, P.L. 682, <u>as</u>
of 40 P.S. § 991.1402 for a Change	:	<u>amended</u> , 40 P.S. §§991.1401,
in the Direct Control of	:	991.1402, and 991.1403
Philanthropic Mutual Fire Insurance	:	
Company	:	
	:	ID-RC-07-05

DECISION AND ORDER

AND NOW, on this __8th__ day of February, 2007, 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. Philanthropic Mutual Fire Insurance Company (“the Domestic Insurer”) is a mutual fire insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business located in Plymouth Meeting, Pennsylvania.
2. Mutual Management Company, LLC (“MMC”) is a management limited liability company organized under the laws of the Commonwealth of

Pennsylvania with its principal place of business located in Lancaster, Pennsylvania.

3. Columbian Mutual Life Insurance Company (“CML”) is a mutual life insurance company organized under the laws of the state of New York with its principal place of business located in Binghamton, New York. CML is currently the sole ultimate controlling person of the Domestic Insurer. CML also controls 10.0% of the ownership of MMC.

Filing of the Application

4. On January 22, 2007, 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 CML for approval to effectuate a corporate restructuring which will result in a change in the chain of control within the holding company system of the Domestic Insurer, although CML will remain an ultimate controlling person.
5. 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.
6. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
7. 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

8. As described in the Request, CML would contribute its control over the Domestic Insurer to MMC.
9. As described in the Request, CML would continue to be an ultimate controlling person of the Domestic Insurer.
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. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of voting securities of a domestic insurer 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 stock proposed in the Request 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.
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 Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination of the request for approval of the change in direct control of Philanthropic Mutual Fire Insurance Company, as set forth in the Request, is hereby granted subject to this Order.

This Order is effective immediately and is valid for one year from the date of signature.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation