

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Section 357 of the Insurance
: Company Law, Act of May 17, 1921,
Application of Commonwealth Mortgage : P.L. 682, No. 284, as amended, 40 P.S.
Assurance Company of Texas for Approval : § 477e
to Redomesticate from the State of Texas :
to the Commonwealth of Pennsylvania :
:
:
: Order No. ID-RC-13-12

DECISION AND ORDER

AND NOW, on this 12th day of August, 2013, Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, No. 284, as amended, 40 P.S. §477e (“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. Commonwealth Mortgage Assurance Company of Texas (“CMAC”) is a foreign stock casualty insurance company organized under the laws of the State of Texas with its principal place of business located in Philadelphia, Pennsylvania.
2. Enhance Financial Services Group, Inc. (“EFSG”) is a foreign financial services company organized under the laws of the State of New York with its principal place of business located in New York, New York. EFSG directly holds 100% of the issued and outstanding voting stock of CMAC.

3. Radian Group Inc. (“Radian Group”) is an insurance holding company organized under the laws of the State of Delaware with its principal place of business located in Philadelphia, Pennsylvania. Radian Group directly holds 100% of the issued and outstanding voting stock of EFSG.
4. No person controls Radian Group.
5. Radian Group is the sole ultimate controlling person of CMAC.

Filing of the Application

6. On June 11, 2013, 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 CMAC for approval to redomesticate from the State of Texas to the Commonwealth of Pennsylvania.
7. The Application was reviewed pursuant to Section 357 of the Insurance Company Law.

Notice of Filing and Comments

8. On June 22, 2013, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by CMAC, and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending July 22, 2013. (“Comment Period”)
9. During the thirty (30) day period, the Department received no comments regarding the Application.

The Transaction

10. CMAC currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact credit class of insurance business.
11. CMAC desires to redomesticate to the Commonwealth of Pennsylvania as a domestic stock casualty insurance company.
12. On April 30, 2013, the Board of Directors of CMAC passed a resolution that CMAC redomesticate from the State of Texas to the Commonwealth of Pennsylvania.
13. CMAC has indicated that their principal places of business will not change from Philadelphia, Pennsylvania.

14. CMAC has stated that they 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 CMAC (40 P.S. §477e).
2. Pursuant to Section 357(a), “[a]ny insurer which is organized under the laws of any other state and is admitted to do business in this Commonwealth for the purpose of writing insurance may become a domestic insurer by complying with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating its principal place of business in this Commonwealth.” (40 P.S. §477e(a)).
3. A redomestication by a foreign business corporation is provided for in subsection 4161(a) of the Business Corporation Law (15 Pa. C.S. §4161(a)).
4. The Application satisfies the requirements of all applicable laws and regulations and standards for organization and licensure.
5. 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 Commonwealth Mortgage Assurance Company of Texas (“CMAC”) for approval to redomesticate from the State of Texas 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. CMAC 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 Texas Department of Insurance and within one year of the date of this order.
2. CMAC shall comply with the requirements of 40 P.S. §§991.1405(c)(3) and (4) prior to filing Articles of Domestication with the Pennsylvania Department of State.
3. CMAC 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, CMAC 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.

Michael F. Consedine
Insurance Commissioner
Commonwealth of Pennsylvania