

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Section 357 of the Insurance
: Company Law of 1921, Act of May 17,
Application of Allegheny Casualty : 1921, P.L. 682, No. 284, as amended, 40
Company for Approval to Redomesticate : P.S. §477e
from the Commonwealth of :
Pennsylvania to the State of New Jersey : Order No. ID-RC-15-16
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DECISION AND ORDER

AND NOW, on this 25th day of November, 2015, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, 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. Allegheny Casualty Company (“ACC”) is a domestic stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Newark, NJ.
2. The Chestnut Group, Inc. (“TCG”) is a Delaware corporation with its principal place of business located in Newark, NJ. TCG is the sole shareholder of all of the issued and outstanding capital stock of ACC.

3. International Fidelity Insurance Company (“IFIC”) is a New Jersey corporation with its principal place of business located in Newark, NJ. IFIC is the sole shareholder of all of the issued and outstanding capital stock of TCG.

Filing of Application

4. On July 13, 2015, 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 ACC from the Commonwealth of Pennsylvania to the State of New Jersey.
5. The Application included a request for licensure of ACC as a foreign insurance company organized under the laws of the State of New Jersey effective simultaneous with its redomestication.
6. Section 357 of the Insurance Company Law of 1921, Act of May 17, 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.
7. Section 357(b) of the Insurance Company Law, 40 P.S. §477e(b), 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.
8. As represented in the Application, the redomestication will have no impact on Pennsylvania employment.
9. As represented in the Application, the redomestication is being pursued in order to provide increased efficiency and reduce redundancies that result from ACC and IFIC having different states of domicile.
10. On July 9, 2015, the Board of Directors of ACC adopted resolutions consenting to the redomestication of ACC from the Commonwealth of Pennsylvania to the State of New Jersey.
11. On August 20, 2015, TCG as the sole shareholder of ACC consented to the redomestication of ACC from the Commonwealth of Pennsylvania to the State of New Jersey.
12. In an order dated September 22, 2015 the acting commissioner of the New Jersey Department of Banking & Insurance approved the transfer of domicile of ACC to the State of New Jersey.

Department Procedures

13. On July 25, 2015, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by ACC and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending August 24, 2015.
14. During the thirty (30) day comment period, the Department received no comments regarding the Application.
15. 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.
16. 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 ACC.
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 ACC policyholders.
4. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes that ACC would satisfy the requirements for licensure in the Commonwealth of Pennsylvania as a foreign insurer upon its redomestication to the State of New Jersey.
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 Allegheny Casualty Company (“ACC”) to the State of New Jersey and the issuance of a Certificate of Authority to ACC as a foreign stock casualty insurance corporation as set forth in the Application, subject to this Order and the following conditions:

1. ACC shall file governing documents with the New Jersey Department of Banking & Insurance. ACC shall provide the Deputy Insurance Commissioner with a copy of the governing documents indicating receipt by the New Jersey Department of Banking & Insurance.
2. ACC 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 New Jersey Department of Banking & Insurance.
3. ACC shall file a Statement of Domestication with the Pennsylvania Department of State, Corporations Bureau within five (5) days of receiving all prerequisite documents.
4. ACC 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, appearing to read "Stephen J. Johnson". The signature is written in a cursive style and is positioned above a horizontal line.

Stephen J. Johnson
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation