

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Chubb Limited Requesting	:	Holding Companies Act, Article
Exemption from the Requirements of 40	:	XIV of the Insurance Company
P.S. §991.1402 for the Merger of Bankers	:	Law of 1921, Act of May 17, 1921,
Standard Fire and Marine Company with	:	P.L. 682, <u>as amended</u> , 40 P.S.
and into Bankers Standard Insurance	:	§§991.1401, 991.1402, and
Company	:	991.1403
	:	
	:	Order No. ID-RC-16-17

DECISION AND ORDER

AND NOW, on this 6th day of October, 2016, Joseph DiMemmo, 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. Bankers Standard Fire and Marine Company (“BSFM”) is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
2. Bankers Standard Insurance Company (“BSIC”) is a domestic stock property insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania. BSIC currently directly holds 100% of the issued and outstanding stock of BSFM.
3. Chubb Limited (“Chubb”) is a business corporation organized under the laws of Switzerland with its principal place of business located in Zurich, Switzerland.

Chubb currently indirectly holds 100% of the issued and outstanding stock of BSIC.

4. No person controls 10% or more of the voting securities of Chubb.
5. Chubb is the sole ultimate controlling person of BSFM and BSIC.

Filing of the Application

6. On July 1, 2016, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from Chubb for approval to merge BSFM with and into BSIC, with BSIC being the survivor (the “Merger”).
7. 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 mergers or other acquisitions of control of domestic insurers must be filed with the Department for approval or disapproval.
8. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
9. 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:
 - a) have the effect of changing or influencing the control of a domestic insurer, or
 - b) is otherwise not comprehended within the purposes of the section.

Notice and Filing of Comments

10. On July 23, 2016, the Department published notice in the *Pennsylvania Bulletin* that the Application had been submitted by Chubb and such notice invited interested persons to submit comments to the Department regarding the Application for a 30 day period, ending August 22, 2016.
11. The Department received no comments regarding the proposed merger.

The Transaction

12. As described in the Application, an Agreement and Plan of Merger (“Merger Agreement”) was adopted by the sole shareholder of BSFM and by the board of

directors of BSFM on June 13, 2016.

13. As described in the Application, the Merger Agreement was adopted by the sole shareholder of BSIC on July 6, 2016 and by the board of directors of BSIC on June 13, 2016.
14. The Merger Agreement provides for BSFM to merge with and into BSIC, with BSIC being the surviving corporation.
15. As described in the Application, upon the effective date of the merger, BSIC shall acquire all of the assets of BSFM and assume all of the debts and other liabilities of BSFM.
16. As described in the Application, the articles of incorporation and by-laws of BSIC in effect immediately prior to the merger shall be the articles of incorporation and by-laws of BSIC upon the effective date of the merger.
17. As described in the Application, the members of the board of directors and the officers of BSIC prior to the merger shall be the members of the board of directors and the officers of BSIC after the merger.
18. As described in the Application, each share of BSFM common stock issued and outstanding immediately prior to the effective date of the merger shall be cancelled and extinguished without consideration.
19. As described in the Application, each share of BSIC common stock issued and outstanding immediately prior to the effective date of the merger shall remain issued and outstanding and be unaffected by the Merger.
20. As described in the Application, Chubb will remain the sole ultimate controlling person of BSIC upon the effective date of the merger.
21. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Insurance Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.
22. The Deputy Commissioner finds that the transaction described in the Application will not result in a change of control of a Pennsylvania domiciled insurer.
23. 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 merger of BSFM with and into BSIC.
2. Under Section 1402(g) of the Insurance Holding Companies Act, the Department shall exempt a merger from the requirements of Section 1402 if the merger does not have the effect of changing or influencing the control of a domestic insurer.
3. Pursuant to Section 1402(g) of the Insurance Holding Companies Act, the Deputy Commissioner concludes that the proposed merger does not change the ultimate controlling person of the parties to the merger and, therefore, is exempt from the requirements of the Insurance Holding Companies Act.
4. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The Application satisfies the requirements of the Insurance Holding Companies Act.
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

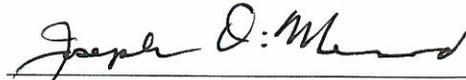
Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination for the application of Chubb Limited (“Chubb”) requesting exemption from the requirements of 40 P.S. §991.1402 for the merger of Bankers Standard Fire and Marine Company with and into Bankers Standard Insurance Company, is hereby granted subject to this Order and the following conditions:

1. Chubb shall file a copy of the Statement of Merger, as filed with and stamped as received by the Pennsylvania Department of State, with the Deputy Commissioner within ten (10) days of receipt from the Pennsylvania Department of State.
2. This transaction may be recorded as effective for accounting purpose as of the first day of the calendar quarter in which the merger is consummated.

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





JOSEPH DIMEMMO
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation