
BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Section 357 of the
: Insurance Company Law of 1921,
Application of Harleysville Worcester : Act of May 17, 1921, P.L. 682, No.
Insurance Company for Approval to : 284, as amended, 40 P.S. §477e
Redomesticate from the Commonwealth :
of Pennsylvania to the State of Ohio : Order No. ID-RC-17-20

DECISION AND ORDER

AND NOW, on this 31st day of October, 2017, Joseph DiMemmo, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (the "Deputy Insurance Commissioner"), 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. Harleysville Worcester Insurance Company ("HWIC") is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Harleysville, Pennsylvania.
2. Harleysville Group Inc. ("HGI") is a Delaware corporation with its principal place of business in Harleysville, Pennsylvania. HGI currently directly holds 100% of the issued and outstanding stock of HWIC.
3. Nationwide Mutual Insurance Company ("NMIC") is an Ohio domiciled mutual insurance company. HGI is an indirect wholly-owned subsidiary of NMIC.
4. NMIC is the ultimate controlling person of HWIC.

Filing of Application

5. On August 29, 2017, 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 HWIC from the Commonwealth of Pennsylvania to the State of Ohio.
6. The Application included a request for the licensure of HWIC as a foreign insurance company organized under the laws of the State of Ohio effective simultaneous with its redomestication.
7. Section 357 of the Insurance Company Law of 1921, Act of May 17, 1921, 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.
8. Section 357(b) of the Insurance Company Law 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.
9. As represented in the Application, the redomestication will have no impact on Pennsylvania employment.
10. As represented in the Application, the redomestication is being pursued in order to reduce the number of domestic regulators within NMIC’s insurance holding company structure and to realize an annual savings by reducing retaliatory taxes.
11. On August 18, 2017, the Board of Directors of HWIC adopted a resolution consenting to the redomestication of HWIC from the Commonwealth of Pennsylvania to the State of Ohio.
12. On August 17, 2017, HGI, as the sole shareholder of HWIC, consented to the redomestication of HWIC from the Commonwealth of Pennsylvania to the State of Ohio.

Department Procedures

13. On September 16, 2017, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by HWIC and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending October 16, 2017.
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 HWIC.
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 HWIC policyholders.
4. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes that HWIC would satisfy the requirements for licensure in the Commonwealth of Pennsylvania as a foreign insurer upon its redomestication to the State of Ohio.
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.

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Section 357 of the
: Insurance Company Law of 1921,
Application of Harleysville Worcester : Act of May 17, 1921, P.L. 682, No.
Insurance Company for Approval to : 284, as amended, 40 P.S. §477e
Redomesticate from the Commonwealth :
of Pennsylvania to the State of Ohio : Order No. ID-RC-17-20

ORDER

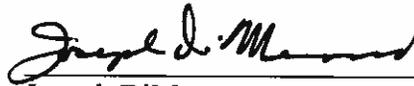
Upon consideration of the foregoing, the Deputy Insurance Commissioner hereby makes the following Order:

An approving determination for the redomestication of Harleysville Worcester Insurance Company (“HWIC”) to the State of Ohio and the issuance of a Certificate of Authority to HWIC as a foreign stock casualty insurance corporation as set forth in the Application, subject to this Order and the following conditions:

1. HWIC shall obtain approval of the redomestication from the Ohio Department of Insurance. A certified copy of the approval issued by the Ohio Department of Insurance shall be provided to the Deputy Insurance Commissioner within three (3) business days of receipt by HWIC.
2. HWIC shall obtain approval from the Ohio Department of Insurance to increase its underwriting authority to add the lines of business referenced in Exhibit A. HWIC shall provide evidence to the Deputy Insurance Commissioner of receiving such approval from the Ohio Department of Insurance.
3. HWIC shall file governing documents with the Ohio Department of Insurance. HWIC shall provide the Deputy Insurance Commissioner with a copy of the governing documents indicating receipt by the Ohio Department of Insurance.
4. HWIC 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 Ohio Department of Insurance.
5. HWIC shall file a Statement of Domestication with the Pennsylvania Department of State, Corporation Bureau within five (5) days of receiving all prerequisite documents.

6. HWIC 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.



Joseph DiMemmo
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation



Exhibit A

All Other A&H

Collectively Renewable A&H

Credit

Credit A&H (Group and Individual)

Group A&H

Guaranteed Renewable A&H

Noncancellable A&H

Nonrenewable for Stated Reasons Only

Ocean Marine

Other (Mine & Machinery)

Other Accident Only