

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Goodville Mutual Casualty	:	Holding Companies Act, Article
Company Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for the	:	Law of 1921, Act of May 17, 1921,
Merger of German Mutual Insurance	:	P.L. 682, <u>as amended</u> , 40 P.S.
Company with and into Goodville Mutual	:	§§991.1401, 991.1402, and
Casualty Company	:	991.1403
	:	
	:	Order No. ID-RC-19-21

DECISION AND ORDER

AND NOW, on this 26th day of November, 2019, 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. German Mutual Insurance Company (“German”) is an unauthorized foreign mutual casualty insurance company organized under the laws of the State of Ohio with its principal place of business in New Holland, Pennsylvania.
2. Goodville Mutual Casualty Company (“Goodville”) is a domestic mutual casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in New Holland, Pennsylvania. Goodville effectively controls German through an Affiliation Agreement.

Filing of the Application

3. On October 10, 2019, 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”) for approval to merge German with and into Goodville with Goodville being the survivor (the “Merger”).
4. 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.
5. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
6. 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

7. On October 26, 2019, the Department published notice in the *Pennsylvania Bulletin* that the Application had been submitted by Goodville and such notice invited interested persons to submit comments to the Department regarding the Application for a 30-day period.
8. The Department received no comments regarding the proposed merger.

The Transaction

9. As described in the Application, Goodville and German executed an Agreement and Plan of Merger dated October 7, 2019, (“Merger Agreement”), which provides for German to merge with and into Goodville, with Goodville being the surviving corporation.
10. As described in the Application, the Merger Agreement has been adopted by a resolution of the board of directors of both Goodville and German on May 21, 2019.

11. The Merger Agreement provides for German to merge with and into Goodville, with Goodville being the surviving corporation.
12. As described in the Application, upon the effective date of the merger, Goodville will acquire all of the assets of German and assume all of the debts and other liabilities of German.
13. As described in the Application, the articles of incorporation and the by-laws of Goodville in effect immediately prior to the merger shall be the articles of incorporation and the by-laws of Goodville upon the effective date of the merger.
14. As described in the Application, the members of the board of directors and the officers of Goodville prior to the merger shall be the members of the board of directors and the officers of Goodville after the merger.
15. As described in the Application, all policyholders of German have been "migrated" to Goodville.
16. 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.
17. The Deputy Commissioner finds that the transaction described in the Application will not result in a change of control of a Pennsylvania domiciled insurer.
18. 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 German with and into Goodville.
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 No. ID-RC-19-21

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 Goodville Mutual Casualty Company requesting exemption from the requirements of 40 P.S. §991.1402 for the merger of German Mutual Insurance Company with and into Goodville Mutual Casualty Company ("Goodville"), is hereby granted subject to this Order and the following conditions:

1. An approving determination must be granted by the Ohio Department of Insurance, before the Statement of Merger is filed with the Pennsylvania Department of State. A certified copy of the Ohio Department of Insurance approval shall be provided to the Deputy Commissioner within three (3) business days of receipt by Goodville.
2. Goodville 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.
3. 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.



A handwritten signature in blue ink, reading "Joseph D. Dimemmo", is written over a horizontal line.

JOSEPH DIMEMMO
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation