

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Armour Group Holdings	:	Holding Companies Act, Article
Limited 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,
Restructuring of its Holding Company	:	P.L. 682, <u>as amended</u> , 40 P.S.
System, which includes Excalibur	:	§§991.1401, 991.1402, and
Reinsurance Corporation	:	991.1403
	:	
	:	Order No. ID-RC-14-21

DECISION AND ORDER

AND NOW, on this 23rd day of December, 2014, Stephen J. Johnson, 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. Excalibur Reinsurance Corporation (“Excalibur”) is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its statutory home office located in Philadelphia, Pennsylvania.
2. Trebuchet US Holdings, Inc. (“Trebuchet US”) is a foreign insurance holding company organized under the laws of Delaware with its principal place of business located in Hamilton, Bermuda.

3. Trebuchet Investments Limited (“TIL”) is an alien corporation organized under the laws of Bermuda with its principal place of business in Hamilton, Bermuda. TIL currently directly holds 100% of the issued and outstanding ordinary shares of Trebuchet US and Excalibur.
4. Armour Group Holdings Limited (“Armour”) is an alien insurance holding company organized as an exempt limited liability company under the laws of Bermuda with its principal place of business in Hamilton, Bermuda. Armour currently holds 100% of the issued and outstanding stock of TIL.
5. Brad S. Huntington (“Mr. Huntington”) is an individual with his principal place of business located in Hamilton, Bermuda. Mr. Huntington currently holds 54.6% of the issued and outstanding voting stock of Armour.
6. John C. Williams (“Mr. Williams”) is an individual with his principal place of business located in Hamilton, Bermuda. Mr. Williams currently holds 36.4% of the issued and outstanding voting stock of Armour.
7. Mr. Huntington and Mr. Williams are each an ultimate controlling person of Excalibur.

Filing of the Application

8. On December 15, 2014, 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 Armour for approval to effectuate a plan of reorganization of the holding company system that includes Excalibur.
9. 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 transactions affecting the control of a domestic insurer must be filed with the Department for approval or disapproval.
10. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
11. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a. does not 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.

The Transaction

12. As described in the Application, TIL plans to contribute 100% of the issued and outstanding ordinary shares of Excalibur (“the Transaction”) to Trebuchet US.
13. As described in the Application, upon completion of the Transaction, Mr. Huntington and Mr. Williams will each remain as an ultimate controlling person of Excalibur.
14. As described in the Application, the Transaction is being contemplated to better position Excalibur to be part of the same consolidated group for US tax purposes as OneBeacon Insurance Company, Potomac Insurance Company, OneBeacon America Insurance Company and The Employers’ Fire Insurance Company, which are in the process of being acquired by Trebuchet US in a separate Form A filing.
15. The Deputy Commissioner finds that the Transaction described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
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. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
3. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
4. The transaction is not being contemplated to change or influence the ultimate control of Excalibur, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
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 Deputy Insurance Commissioner of the Commonwealth of Pennsylvania hereby makes the following Order:

An approving determination for the application of Armour Group Holdings Limited requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its holding company system, which includes Excalibur Reinsurance Corporation, as set forth in the Application, is hereby granted.

This Order is effective immediately and valid for one year, provided there are no material changes to the representations provided in the application.




STEPHEN J. JOHNSON
Deputy Insurance Commissioner