

BEFORE THE
INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1977 and
	:	1980 of the Business Corporation
Application of SAFECO Insurance	:	Law of 1988, Act of December 21,
Company of Pennsylvania for	:	1988, P. L. 1444, <u>as amended</u> ,
Approval to Redomesticate from	:	15 Pa.C.S. §§ 4161 and 4162, and
the Commonwealth of Pennsylvania	:	Sections 205 and 207 of the GAA
to the State of Indiana	:	Amendments Act of 1990, Act of
	:	December 19, 1990, P. L. 834,
	:	15 P. S. §§ 21205 and 21207, and
	:	Section 357 of the Insurance
	:	Company Law, Act of May 17,
	:	1921, P.L. 682, No. 284, 40 P.S. §
	:	477e
	:	
	:	Order No. ID-RC-01-12

DECISION AND ORDER

AND NOW, on this 26th day of February, 2001, M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Decision and Order:

Pursuant to the Business Corporation Law ("BCL"), the Insurance Company Law and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Insurance Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of Applicant

1. SAFECO Insurance Company of Pennsylvania ("SAFECO") is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Seattle, Washington.

Filing of Application

2. On January 19, 2001, 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 SAFECO from the Commonwealth of Pennsylvania to the State of Indiana.
3. The Application included a request for the licensure of SAFECO as a foreign stock casualty insurance company organized under the laws of the State of Indiana effective simultaneous with its redomestication.
4. The Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, Section 357, 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.
5. Section 357(b) of the Insurance Company Law also 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.
6. The Business Corporation Law of 1988, Act of December 21, 1988, P.L. 1444, as amended, Sections 1977 and 1980, 15 Pa. C.S. §§1977 and 1980 (the "BCL") prescribes the requirements for dissolution by domestication.
7. The GAA Amendments Act of 1990, Act of December 19, 1990, P.L. 834, Sections 205 and 207, 15 P.S. §§21205 and 21207 (the "GAA Amendments"), provides that all dissolutions by domestication of domestic insurers must be filed with the Commissioner for approval or disapproval.

8. As represented in the Application, the redomestication will have no impact on Pennsylvania employment.
9. As represented in the Application, SAFECO desires to redomesticate to Indiana for the administrative efficiencies of using the established home office(s) and personnel of affiliated insurers in its holding company system.
10. As represented in the Application, SAFECO will change its name upon redomestication to "SAFECO Insurance Company of Indiana."
11. On February 8, 2001, the Board of Directors adopted and consented to the redomestication of SAFECO from the Commonwealth of Pennsylvania to the State of Indiana.
12. On February 8, 2001, the sole shareholder of SAFECO consented to the redomestication of SAFECO from the Commonwealth of Pennsylvania to the State of Indiana.

Department Procedures

13. On February 3, 2001, the Department published notice in the Pennsylvania Bulletin that the Application was submitted by SAFECO and such notice invited interested persons to submit comments to the Department regarding the Application for a fifteen (15) day period, ending February 19, 2001.
14. During the fifteen (15) day comment period, the Department received no comments regarding the Application.
15. 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 and GAA Amendments provides the Commissioner jurisdiction to review and approve the redomestication of SAFECO.
2. In accordance with Section 357(b) of the Insurance Company Law, the Commissioner concludes this redomestication is in accordance with law and is not injurious to the interest of all SAFECO policyholders.

3. In accordance with Section 357(b) of the Insurance Company Law, the Commissioner concludes that SAFECO would satisfy the requirements for licensure in the Commonwealth of Pennsylvania as a foreign stock casualty insurance company upon its redomestication to the State of Indiana.
4. In accordance with Section 205 of the GAA Amendments, the Commissioner, based on said Application, concludes this redomestication is in accordance with the law and is not injurious to the policyholders or creditors of SAFECO.
5. The Application was properly filed pursuant to and in accordance with the Insurance Company Law, the BCL and the GAA Amendments.
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

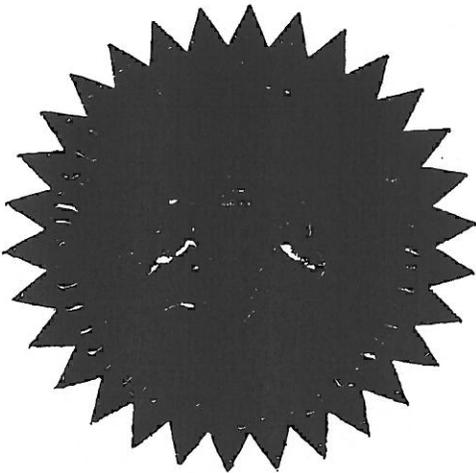
Upon consideration of the foregoing, the Commissioner hereby makes the following ORDER:

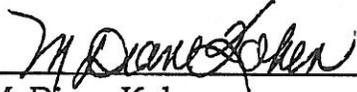
An approving determination for the redomestication of SAFECO Insurance Company of Pennsylvania ("SAFECO") to the State of Indiana and the issuance of a Certificate of Authority to SAFECO as a foreign stock casualty insurance corporation as set forth in the Application, subject to this Order and the following conditions:

1. SAFECO shall obtain approval of the redomestication from the Indiana Department of Insurance. A certified copy of the approval issued by the Indiana Commissioner of Insurance shall be provided to the Commissioner within three (3) business days of receipt by SAFECO.

2. SAFECO shall file Amended and Restated Articles of Incorporation with the Indiana Department of State or the equivalent agency for such filings. SAFECO shall provide the Commissioner with a copy of the Amended and Restated Articles of Incorporation indicating receipt by the appropriate agency in the State of Indiana.
3. SAFECO shall surrender its current Certificate of Authority as a domestic insurance corporation in exchange for the issuance of a Certificate of Authority as a foreign stock casualty insurance corporation within seven (7) days of filing Articles of Incorporation with the Indiana Department of State or the equivalent agency for such filings.
4. Within five (5) days of receiving all prerequisite documents, SAFECO shall request the necessary clearance certificates from the Department of Revenue and from the Bureau of Employment Security of the Department of Labor and Industry.
5. Within five (5) days of receipt of the prerequisite clearance certificates, SAFECO shall, in accordance with Section 1980 of the BCL, file Articles of Dissolution with the Pennsylvania Department of State. SAFECO shall provide a copy of the Articles of Dissolution evidencing acceptance by the Pennsylvania Department of State within ten (10) days of receipt.

This Order is effective immediately.





M. Diane Koken
Insurance Commissioner
Commonwealth of Pennsylvania