



150 Royall Street
MD C2-35
Canton, MA 02021
onebeacon.com

Virginia A. McCarthy
Associate General Counsel

June 12, 2013

Joseph G. Murphy
Commissioner of Insurance
Massachusetts Division of Insurance
1000 Washington Street
Suite 810
Boston, Massachusetts 02118-1200

**Re: Redomestication of The Employers' Fire Insurance Company
(NAIC# 20648)**

Dear Commissioner Murphy:

By letter dated April 2, 2013, we sought approval to transfer the domicile of The Employer's Fire Insurance Company from Massachusetts to Pennsylvania. In the body of the letter, it was noted that we were also seeking approval from the Pennsylvania Insurance Department and referred to a copy of the transmittal letter to the Pennsylvania Department as Exhibit D. However, the list of exhibits at the end of my letter references a "Copy of Application to the Commonwealth of Pennsylvania" as Exhibit D. I am writing to advise the Division that the reference to a 'copy of application' was a typographical error. The intended attachment was what was actually included as Exhibit D – that is, a copy of the transmittal letter that accompanied the application to the Pennsylvania Department. I apologize for the confusion and any inconvenience caused by my error.

Should you or your staff have any questions regarding the above or the proposed transaction in general, please contact me directly at 781-332-7191 or vmccarthy@onebeacon.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'V. McCarthy', is written over a horizontal line.

Virginia A. McCarthy

c: Christopher M. Joyce
Mindy A. Merow Rubin



150 Royall Street
MD C2-35
Canton, MA 02021
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Virginia A. McCarthy
Associate General Counsel

VIA OVERNIGHT MAIL

April 2, 2013

Joseph G. Murphy
Commissioner of Insurance
Massachusetts Division of Insurance
1000 Washington Street
Suite 810
Boston, Massachusetts 02118-1200

**Re: Redomestication of The Employers' Fire Insurance Company
(NAIC# 20648)**

Dear Commissioner Murphy:

I am writing on behalf of the OneBeacon Insurance Group LLC ("OneBeacon Group") seeking (i) approval of the proposed transfer of domicile of The Employer's Fire Insurance Company ("Employers' Fire"), a property and casualty insurance company incorporated under the laws of the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania; and (ii) approval as a foreign admitted insurer in Massachusetts.

Approval is sought pursuant to Massachusetts General Laws, Chapter 175, Section 49A which provides, in part, that any domestic insurer may, upon the approval of the commissioner, transfer its domicile to another state in which it is admitted to transfer the business of insurance.

Employers' Fire is authorized to conduct in Massachusetts a full-line property and casualty insurance business pursuant to M.G.L. c.175§47. It is also licensed to do business in the District of Columbia, Virgin Islands and the other forty-nine states. Attached as Exhibit A is a copy of Employers' Fire current Certificate of Authority in Pennsylvania. Employers' Fire has been issuing property and

casualty insurance in Massachusetts since 1921. It is a wholly owned subsidiary of OneBeacon Insurance Company.

The proposed redomestication is part of a multi-step process involving the restructure of the companies within the OneBeacon Group, including the proposed sale of OneBeacon Insurance Company and Potomac Insurance Company to a subsidiary of Armour Group Holdings Limited. (The related Form A regarding the change in control of OneBeacon Insurance Company and Potomac Insurance Company was filed with the Pennsylvania Insurance Department on February 8, 2013.) As a pre-closing condition to the sale, OneBeacon Group has agreed, among other things, to transfer the domicile of Employers' Fire and OneBeacon America Insurance Company from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. A separate request to transfer the domicile of OneBeacon America Insurance Company is being filed simultaneously with the Massachusetts Division of Insurance and the Pennsylvania Insurance Department.

On January 31, 2013, the Board of Directors of Employers' Fire passed a resolution authorizing the redomestication from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. On February 1, 2013, the sole shareholder of Employers' Fire authorized the redomestication from the Massachusetts to Pennsylvania. Copies of the Secretary's Certificates attesting to such actions are attached as Exhibits B and C, respectively.

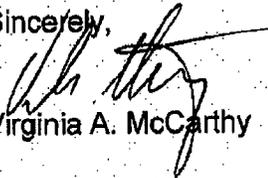
On April 2, 2013, Employers' Fire filed an application with the Insurance Department of Pennsylvania seeking approval to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. A copy of the transmittal letter is attached as Exhibit D.

Employers' Fire affirms that the proposed merger is not contrary to the interests of the policyholders of the Commonwealth.

Based on the foregoing, we respectfully request that the Commissioner approve Employers' Fire's request to transfer its domicile to the Commonwealth of Pennsylvania and to be admitted as a foreign insurer in the Commonwealth of Massachusetts.

Should you require additional information or have any questions regarding the proposed transaction, please contact me directly at 781-332-7191 or vmccarthy@onebeacon.com.

Sincerely,


Virginia A. McCarthy

Enclosures

- Exhibit A – Pennsylvania Certificate of Authority
- Exhibit B – Secretary's Certification of Employers' Fire Board of Directors' votes approving the redomestication
- Exhibit C - Secretary's Certification of Employers' Fire Shareholder vote approving the redomestication.
- Exhibit D – Copy of Application to the Commonwealth of Pennsylvania

c: (w/o enclosures) Robert C. Macullar
Christopher M. Joyce

EXHIBIT A



COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT

CERTIFICATE OF AUTHORITY

Property

Effective Date: April 1, 2013

EMPLOYERS FIRE INSURANCE COMPANY (THE)

NAIC NO. 20648

HAS COMPLIED WITH THE REQUIREMENTS OF THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA RELATING TO ADMISSION IN SAID COMMONWEALTH FOR THE PURPOSE OF TRANSACTING INSURANCE BUSINESS IN PENNSYLVANIA AND THAT THE ABOVE NAMED COMPANY IS HEREBY AUTHORIZED TO TRANSACT THE BUSINESS OF:

- | | |
|---|---|
| Accident and Health 40 P.S. s 382(c)(2) | Auto Liability 40 P.S. s 382(e)(11) |
| Boiler and Machinery 40 P.S. s 382(c)(5) | Burglary and Theft 40 P.S. s 382(c)(6) |
| Credit 40 P.S. s 382(c)(7) | Elevator 40 P.S. s 382(c)(9) |
| Fidelity and Surety 40 P.S. s 382(c)(1) | Glass 40 P.S. s 382(e)(3) |
| Inland Marine and Physical Damage 40 P.S. s 382(b)(2) | Livestock 40 P.S. s 382(c)(10) |
| Ocean Marine 40 P.S. s 382(b)(3) | Other Liability 40 P.S. s 382(c)(4) |
| Personal Property Floater 40 P.S. s 382(c)(13) | Property and Allied Lines 40 P.S. s 382(b)(1) |
| Water Damage 40 P.S. s 382(c)(8) | Workers Compensation 40 P.S. s 382(c)(14) |

FOR THE YEAR ENDING MARCH 31, 2014, IN ACCORDANCE WITH ITS CHARTER AND IN CONFORMITY WITH THE LAWS OF SAID COMMONWEALTH OF PENNSYLVANIA.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL, THE DATE AND YEAR FIRST ABOVE WRITTEN.



MICHAEL CONSEDINE
INSURANCE COMMISSIONER

EXHIBIT B

CERTIFICATE OF SECRETARY

The undersigned, Virginia A. McCarthy, hereby certifies on behalf of The Employers' Fire Insurance Company, a Massachusetts corporation (the "Company"), that she is the duly elected and acting Secretary of the Company, and that the following is a true, correct and complete copy of the resolutions duly adopted by the Board of Directors of the Company on January 31, 2013, and said resolutions are, on and as of the date hereof, in full force and effect.

RESOLVED, that this Company redomesticate as a domestic insurance corporation under the Pennsylvania Business Corporation Law (that transaction, the "Redomestication");

FURTHER RESOLVED, that this Company present the proposed Redomestication to its sole shareholder for approval;

FURTHER RESOLVED, that subject to approval of the proposed Redomestication by the Company's sole shareholder, the Company file for approval with the Massachusetts Division of Insurance to transfer its domicile from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania and file articles of domestication with the Department of State of the Commonwealth of Pennsylvania in the form presented to the Board of Directors;

FURTHER RESOLVED, that the officers of the Company be, and hereby are authorized and directed to take all such actions and to execute and file all such other documents as they, or any of them deem necessary or appropriate to carry out the intent of the foregoing resolutions with the same force and effect as if they had been specifically authorized and empowered to do so in each individual case, and such actions are hereby ratified and confirmed.

IN WITNESS WHEREOF, the undersigned has executed this certificate and affixed the corporate seal of The Employers' Fire Insurance Company this 29th day of March, 2013.

(Seal)

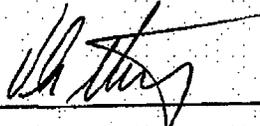

Secretary as aforesaid

EXHIBIT C

CERTIFICATE OF SECRETARY

The undersigned, Virginia A. McCarthy, hereby certifies on behalf of The Employers' Fire Insurance Company, a Massachusetts corporation (the "Company"), that she is the duly elected and acting Secretary of the Company, and that the following is a true, correct and complete copy of the resolutions duly adopted by the Shareholder of the Company on February 1, 2013, and said resolutions are, on and as of the date hereof, in full force and effect.

RESOLVED, that this Company redomesticate as a domestic insurance corporation under the Pennsylvania Business Corporation Law (that transaction, the "Redomestication");

FURTHER RESOLVED, that the Company file for approval with the Massachusetts Division of Insurance to transfer its domicile from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania and file articles of domestication with the Department of State of the Commonwealth of Pennsylvania in the form presented;

FURTHER RESOLVED, that the officers of the Company be, and hereby are authorized and directed to take all such actions and to execute and file all such other documents as they, or any of them deem necessary or appropriate to carry out the intent of the foregoing resolutions with the same force and effect as if they had been specifically authorized and empowered to do so in each individual case, and such actions are hereby ratified and confirmed.

IN WITNESS WHEREOF, the undersigned has executed this certificate and affixed the corporate seal of The Employers' Fire Insurance Company this 29th day of March, 2013.

(Seal)

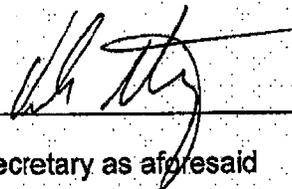

Secretary as aforesaid

EXHIBIT D

150 Royall Street
MD C2-35
Canton, MA 02021

Virginia A. McCarthy
Associate General Counsel

VIA OVERNIGHT MAIL

April 2, 2013

Robert E. Brackbill
Chief, Company Licensing Division
Pennsylvania Insurance Department
Bureau of Company Licensing and Financial Analysis
1345 Strawberry Square
Harrisburg, PA 17120

**Re: Redomestication of The Employers' Fire Insurance Company
(NAIC# 20648)**

Dear Mr. Brackbill:

I am writing on behalf of the OneBeacon Insurance Group LLC ("OneBeacon Group") seeking approval of the proposed transfer of domicile of The Employer's Fire Insurance Company ("Employers' Fire"), a property and casualty insurance company incorporated under the laws of the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. Approval is sought pursuant to Pennsylvania's Business Corporation Law and Insurance Company Law.

Employers' Fire holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer. Attached as Exhibit A is a copy of Employers' Fire current Certificate of Authority in Pennsylvania for the period April 1, 2013-March 31, 2014. Employers' Fire has been issuing property and casualty insurance in Pennsylvania since 1973. It is a wholly owned subsidiary of OneBeacon Insurance Company.

The proposed redomestication is part of a multi-step process involving the restructure of the companies within the OneBeacon Group, including the proposed sale of OneBeacon Insurance Company and Potomac Insurance Company to a subsidiary of Armour Group Holdings Limited. As a pre-closing

condition to the sale, OneBeacon Group has agreed, among other things, to transfer the domicile of Employers' Fire and OneBeacon America Insurance Company from Massachusetts to Pennsylvania. (A separate request to transfer the domicile of OneBeacon America Insurance Company is being filed simultaneously with the Massachusetts Division of Insurance and the Pennsylvania Insurance Department.)

On January 31, 2013, the Board of Directors of Employers' Fire passed a resolution authorizing the redomestication from Massachusetts to Pennsylvania. On February 1, 2013, the sole shareholder of Employers' Fire authorized the redomestication from the Massachusetts to Pennsylvania. Copies of the Secretary's Certificates attesting to such actions are attached as Exhibits B and C, respectively.

Employers' Fire applied for a Certificate of Authority with the Pennsylvania Secretary of State on March 25, 2013. A copy of the application is attached as Exhibit D.

On April 2, 2013, Employers' Fire filed an application with the Massachusetts Division of Insurance seeking approval to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. A copy of the transmittal letter is attached as Exhibit E.

Copies of the following are also attached in support of this application:

- Exhibit F – UCAA Application Form including Primary Application Checklist, executed UCAA Primary Application and Form 3 (Lines of Insurance)
- Exhibit G – Filing Fee of \$2500.00 (Item 2)
- Exhibit H – Minimum Capital and Surplus Requirements (Item 3)
- Exhibit I – Certificate of Deposit (Item 4)
- Exhibit J – Name approval by Pennsylvania Insurance Department (Item 5)
- Exhibit K – Form B Holding Company Statement for year-end 2012 (Item 7)
- Exhibit L – Debt-to-Equity Ratio Statement (Item 10)
- Exhibit M – Public Records Package including Articles of Incorporation, Certified Bylaws, Annual Statutory Statement as of 12/31/2012; Quarterly Statements for all of 2012; 2011 Audit Report for OneBeacon Insurance Group¹ (Item 12)
- Exhibit N - Annual Statement with Attachments (Item 15) see *Exhibit L*
- Exhibit O- Quarterly Statements (Item 16) see *Exhibit L*
- Exhibit P- Risk-Based Capital Report (Item 17)
- Exhibit Q - CPA Audit Report (Item 18) see *Exhibit L*
- Exhibit R - Reports of Examination (for the period 2002-2006; the examination for 2007-2011 is still underway) (Item 19)

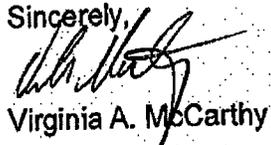
¹ The year-end 2012 Audit Report will not be available until June 1, 2013

Exhibit S - Certificate of Compliance (Item 20)
Exhibit T - Articles of Redomestication [DRAFT]

Based on the foregoing, we respectfully request that the Commissioner (i) approve Employers' Fire's request to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania and (ii) the issuance of a Certificate of Authority to Employers' Fire as a domestic stock casualty insurance corporation.

Should you require additional information or have any questions regarding the proposed transaction, please contact me directly at 781-332-7191 or vmccarthy@onebeacon.com.

Sincerely,



Virginia A. McCarthy

Enclosures