

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402, and 1403 of the Insurance
Application of Personal Service Insurance Company, a Good2Go Auto Insurance Company and Bankers Independent Insurance Company, a Good2Go Auto Insurance Company Requesting Exemption from the Requirements of 40 P.S. §991.1402 for the Merger of Delphi Casualty Company with and into Personal Service Insurance Company, a Good2Go Auto Insurance Company	:	Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, <u>as amended</u> , 40 P.S. §§991.1401, 991.1402, and 991.1403
	:	Order No. ID-RC-20-02

DECISION AND ORDER

AND NOW, on this 31st day of January 2020, 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. Bankers Independent Insurance Company, a Good2Go Auto Insurance Company (“Bankers”) is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Blue Bell, Pennsylvania.
2. Personal Service Insurance Company, a Good2Go Auto Insurance Company (“Personal”) is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Blue Bell, Pennsylvania. Bankers is a wholly-owned direct subsidiary of Personal.

3. Delphi Casualty Company (“Delphi”) is an unauthorized foreign stock casualty insurance company organized under the laws of the State of Illinois with its principal place of business in Blue Bell, Pennsylvania.
4. Apollo Casualty Company (“Apollo”) is an unauthorized foreign stock casualty insurance company organized under the laws of the State of Illinois with its principal place of business in Blue Bell, Pennsylvania. Delphi is a wholly-owned direct subsidiary of Apollo.
5. American Independent Companies, Inc. (“American”) is an insurance holding company organized pursuant to the laws of the State of Delaware with its principal place of business in Blue Bell, Pennsylvania. Personal is a wholly-owned direct subsidiary of American. Apollo is a wholly-owned indirect subsidiary of American.

Filing of the Application

6. On December 12, 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 Delphi with and into Personal with Personal being the survivor (the “Merger”).
7. 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.
8. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
9. 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

10. On December 28, 2019, the Department published notice in the *Pennsylvania Bulletin* that the Application had been submitted by Personal and Bankers and such notice invited interested persons to submit comments to the Department

regarding the Application for a 30-day period.

11. The Department received no comments regarding the proposed merger.

The Transaction

12. As described in the Application, Personal and Delphi adopted an Agreement and Plan of Merger (“Merger Agreement”), which provides for Delphi to merge with and into Personal, with Personal being the surviving corporation.
13. As described in the Application, the Merger Agreement has been adopted by a resolution of the board of directors of American, on behalf of Personal, and by the board of directors and sole shareholder of Delphi on December 11, 2019.
14. The Merger Agreement provides for Delphi to merge with and into Personal, with Personal being the surviving corporation.
15. As described in the Application, the outstanding shares of Personal immediately before the merger shall be cancelled and the holder of those shares shall not receive any consideration therefor.
16. As described in the Application, the outstanding shares of Delphi immediately before the merger shall be cancelled and the holder of those shares shall be issued shares of Personal in consideration for the cancelled shares of Delphi.
17. After giving effect to the merger, Apollo will be the direct parent of Personal and Personal will continue to be the direct parent of Bankers.
18. As described in the Application, upon the effective date of the merger, all the properties, rights, privileges, immunities, powers and franchises of Delphi shall vest in Personal and all debts, liabilities, obligations and duties of Delphi shall become the debts, liabilities, obligations and duties of Personal.
19. As described in the Application, the articles of incorporation and the by-laws of Personal in effect immediately prior to the merger shall be the articles of incorporation and the by-laws of Personal upon the effective date of the merger.
20. As described in the Application, the members of the board of directors and the officers of Personal prior to the merger shall be the members of the board of directors and the officers of Personal after the merger.
21. 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.

22. The Deputy Commissioner finds that the transaction described in the Application will not result in a change of control of a Pennsylvania domiciled insurer.
23. 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 Delphi with and into Personal.
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.

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Personal Service Insurance	:	Holding Companies Act, Article
Company, a Good2Go Auto Insurance	:	XIV of the Insurance Company
Company and Bankers Independent	:	Law of 1921, Act of May 17, 1921,
Insurance Company, a Good2Go Auto	:	P.L. 682, <u>as amended</u> , 40 P.S.
Insurance Company Requesting	:	§§991.1401, 991.1402, and
Exemption from the Requirements of 40	:	991.1403
P.S. §991.1402 for the Merger of Delphi	:	
Casualty Company with and into Personal	:	
Service Insurance Company, a Good2Go	:	
Auto Insurance Company	:	Order No. ID-RC-20-02

ORDER

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

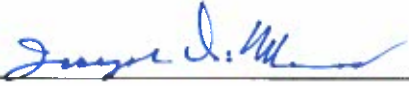
An approving determination for the application of Personal Service Insurance Company, a Good2Go Auto Insurance Company (“Personal”) and Bankers Independent Insurance Company, a Good2Go Auto Insurance Company requesting exemption from the requirements of 40 P.S. §991.1402 for the merger of Delphi Casualty Company with and into Personal, is hereby granted subject to this Order and the following conditions:

1. Personal shall submit any changes made to the Agreement and Plan of Merger provided with the Application to the Deputy Insurance Commissioner prior to the execution of the changed document.
2. An approving determination must be granted by the Illinois Department of Insurance, before the Statement of Merger is filed with the Pennsylvania Department of State. A certified copy of the Illinois Department of Insurance approval shall be provided to the Deputy Commissioner within three (3) business days of receipt by Personal.
3. Personal 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.

4. 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.





JOSEPH DIMEMMO
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation