

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of QBE Insurance Group	:	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 the Holding Company	:	P.L. 682, <u>as amended</u> , 40 P.S.
System which Involves North Pointe	:	§§991.1401, 991.1402, and
Insurance Company and Praetorian	:	991.1403
Insurance Company	:	
	:	Order No. ID-RC-20-06

**DECISION AND ORDER**

AND NOW, on this 31st day of March 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**

PA Domestic Insurers

1. North Pointe Insurance Company (“NPIC”) is a domestic stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Sun Prairie, Wisconsin.

2. Praetorian Insurance Company (“PIC”) is a domestic stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Sun Prairie, Wisconsin.
3. QBE Holdings, Inc. (“QHI”) is an insurance holding company organized pursuant to the laws of Delaware with its principal place of business in New York, New York. QHI currently directly holds 100% of the issued and outstanding stock of NPIC and PIC.
4. QBE Insurance Group Limited (“QBE Group”) is a corporation organized pursuant to the laws of Australia with its principal place of business in Sydney, Australia. QBE Group currently indirectly holds 100% of the issued and outstanding stock of QHI.
5. No person controls QBE Group.
6. QBE Group is the ultimate controlling person of NPIC and PIC.

#### **Filing of the Application**

7. On February 28, 2020, 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 QBE Group for approval to restructure the insurance holding company system, which involves NPIC and PIC.
8. 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.
9. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
10. 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**

11. As described in the Application, QHI will contribute 100% of the issued and outstanding stock of NPIC to PIC.
12. As described in the Application, upon completion of the transaction, NPIC will become a direct, wholly owned subsidiary of PIC, and PIC will remain a direct, wholly owned subsidiary of QHI.
13. As described in the Application, upon completion of the transaction, QBE Group will remain as the ultimate controlling person of NPIC and PIC.
14. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.
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 Commissioner has delegated authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer to the Deputy Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
4. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The restructuring of the holding company system proposed in the Application is not being contemplated to change or influence the ultimate control of NPIC and PIC, and, therefore, is exempt from the requirements of Section 1402(b) 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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Insurance Company	:	
	:	Order No. ID-RC-20-06

**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 QBE Insurance Group Limited requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of the insurance holding company system that involves North Pointe Insurance Company and Praetorian Insurance Company, 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.

*Joseph DiMemmo*

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JOSEPH DIMEMMO  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation