

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

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| In Re:                                   | : | Pursuant to Sections 1401, 1402, and           |
|  | : | 1403 of the Insurance Holding                  |
| Application of Matthew T. Popoli         | : | Companies Act, Article XIV of the              |
| Requesting Exemption from the            | : | Insurance Company Law of 1921, Act of          |
| Requirements of 40 P.S. §991.1402 to     | : | May 17, 1921, P.L. 682, <u>as amended</u> , 40 |
| Increase his Percentage of Indirect      | : | P.S. §§991.1401, 991.1402, and                 |
| Control of Positive Physicians Insurance | : | 991.1403                                       |
| Company                                  | : |  |
|  | : | Order No. ID-RC-20-09                          |

DECISION AND ORDER

AND NOW, on this 15th day of May 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 Parties**

1. Positive Physicians Insurance Company (“PPIC”) is a domestic stock casualty insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Berwyn, Pennsylvania.
2. Positive Physicians Holdings, Inc. (“PP Holdings”) is a business corporation organized pursuant to the laws of Pennsylvania with its principal place of business in Berwyn, Pennsylvania. PP Holdings directly holds 100% of the issued and outstanding stock of PPIC.

3. Enstar Holdings (US) LLC (“Enstar”) is a limited liability company organized pursuant to the laws of the State of Delaware with its principal place of business in St. Petersburg, Florida. Enstar directly holds 27% of the issued and outstanding stock of PP Holdings.
4. Insurance Capital Group, LLC (“ICG”) is a limited liability company organized pursuant to the laws of Delaware with its principal place of business in New York, New York. ICG directly holds 63% of the issued and outstanding stock of PP Holdings.
5. Enstar Group Limited (“EGL”) is a publicly-traded Bermuda exempted company with its principal place of business in Hamilton, Bermuda. Enstar is an indirect wholly-owned subsidiary of EGL.
6. Matthew T. Popoli (“Mr. Popoli”) is an individual with his principal place of business in New York, New York. Mr. Popoli directly holds 44.5% of the Class A Common Units of ICG.
7. Craig A. Huff (“Mr. Huff”) is an individual with his principal place of business in New York, New York. Mr. Huff directly holds 44.5% of the Class A Common Units of ICG.
8. No other member of ICG holds greater than 10% of the Class A Common Units of ICG.
9. EGL, Mr. Popoli and Mr. Huff are the ultimate controlling persons of PPIC.

### **Filing of the Application**

10. On April 27, 2020, the Pennsylvania Insurance Department (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Request”) from Mr. Popoli for approval to increase his percentage of indirect control of PPIC.
11. 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.
12. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
13. 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**

14. As described in the Request, Mr. Huff proposes to transfer his 44.5% ownership interest in ICG Class A Common Units to Mr. Popoli.
15. As described in the Request, another small passive owner of ICG proposes to transfer his 6.0% ownership interest in ICG Class A Common Units to Mr. Popoli.
16. As described in the Request and as a result of the transfers described above, Mr. Popoli would hold 95% of the Class A Common Units of ICG.
17. As described in the Request, Mr. Popoli would remain an ultimate controlling person of PPIC following the transaction.
18. The Deputy Commissioner finds that the transaction described in the Request would not have the effect of changing or influencing the control of a domestic insurer.
19. 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 a controlling interest of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Insurance 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 Insurance Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
4. The Request was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The increase in the percentage of voting securities proposed in the Request is not being contemplated to change or influence the ultimate control of PPIC, 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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: Order No. ID-RC-20-09

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 request of Matthew T. Popoli for exemption from the requirements of 40 P.S. §991.1402 to increase his percentage of indirect control of Positive Physicians Insurance Company, as set forth in the request, is hereby granted.

This Order is effective immediately and valid for one (1) year from the date of signature, provided there are no significant changes from the request.

*Joseph DiMemmo* 5/15/2020  
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JOSEPH DIMEMMO  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation