

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Brad S. Huntington and	:	Holding Companies Act, Article
John C. Williams Requesting Exemption	:	XIV of the Insurance Company
from the Requirements of 40 P.S.	:	Law of 1921, Act of May 17, 1921,
§991.1402 for the Mergers of The	:	P.L. 682, <u>as amended</u> , 40 P.S.
Employers' Fire Insurance Company,	:	§§991.1401, 991.1402, and
Lamorak Insurance Company and	:	991.1403
Potomac Insurance Company with and	:	
into Bedivere Insurance Company	:	Order No. ID-RC-20-20

DECISION AND ORDER

AND NOW, on this 4th day of December 2020, Melissa Greiner, 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. The Employers' Fire Insurance Company ("EFIC") is a domestic stock property insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
2. Lamorak Insurance Company ("Lamorak") is a domestic stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.

3. Potomac Insurance Company (“Potomac”) is a domestic stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
4. Bedivere Insurance Company (“Bedivere”) is a domestic stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania. Bedivere currently directly holds 100% of the issued and outstanding stock of EFIC and Lamorak.
5. Trebuchet US Holdings, Inc. (“Trebuchet”) is a business corporation organized pursuant to the laws of Delaware with its principal place of business in Philadelphia, Pennsylvania. Trebuchet currently directly holds 100% of the issued and outstanding stock of Bedivere and Potomac.
6. Brad S. Huntington (“Mr. Huntington”) is an individual with his primary business address in Philadelphia, Pennsylvania. Mr. Huntington currently indirectly controls approximately 58.54% of the issued and outstanding stock of Trebuchet.
7. John C. Williams (“Mr. Williams”) is an individual with his primary business address in Philadelphia, Pennsylvania. Mr. Williams currently indirectly controls approximately 39.02% of the issued and outstanding stock of Trebuchet.
8. Mr. Huntington and Mr. Williams are currently the sole ultimate controlling persons of Bedivere, EFIC, Lamorak and Potomac.

Filing of the Application

9. On October 1, 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 Mr. Huntington and Mr. Williams for approval to merge EFIC, Lamorak and Potomac with and into Bedivere with Bedivere being the survivor (the “Mergers”).
10. 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.
11. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.

12. 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.

Department Procedures

13. On October 17, 2020, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by Mr. Huntington and Mr. Williams and such notice invited interested persons to submit comments to the Department regarding the Application for thirty (30) days following the date of the publication (“Comment Period”).
14. The Department received no comments regarding the Application during the Comment Period.

The Transaction

15. As described in the Application, an Agreement and Plan of Merger (“Merger Agreement”) was adopted by the board of directors of Bedivere and Potomac on August 6, 2020.
16. As described in the Application, the Merger Agreement was approved by Trebuchet, the sole shareholder of Bedivere and Potomac, on August 6, 2020.
17. The Merger Agreement provides for EFIC, Lamorak and Potomac to merge with and into Bedivere, with Bedivere being the surviving corporation in each of the Mergers.
18. As described in the Application, upon the effective date of the Mergers, Bedivere shall acquire all of the assets of EFIC, Lamorak and Potomac and assume all of the debts and other liabilities of EFIC, Lamorak and Potomac.
19. As described in the Application, the articles of incorporation and by-laws of Bedivere in effect immediately prior to the Mergers shall be the articles of incorporation and by-laws of Bedivere upon the effective date of the Mergers.
20. As described in the Application, the members of the board of directors and the officers of Bedivere prior to the Mergers shall be the members of the board of directors and the officers of Bedivere after the Mergers.

21. As described in the Application, each share of EFIC, Lamorak and Potomac common stock issued and outstanding immediately prior to the effective date of the Mergers shall be cancelled and extinguished without consideration.
22. As described in the Application, Trebuchet would continue to own 100% of the issued and outstanding stock of Bedivere upon completion of the Mergers, and there would be no change to the ultimate controlling persons.
23. 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.
24. The Deputy Commissioner finds that the transaction described in the Application will not result in a change of control of a Pennsylvania domiciled insurer.
25. 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 mergers of EFIC, Lamorak and Potomac with and into Bedivere.
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 mergers do not change the ultimate controlling persons of the parties to the mergers 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 Brad S. Huntington and John C. Williams Requesting Exemption from the Requirements of 40 P.S. §991.1402 for the Mergers of The Employers' Fire Insurance Company, Lamorak Insurance Company and Potomac Insurance Company with and into Bedivere 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-20-20

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 Brad S. Huntington ("Mr. Huntington") and John C. Williams ("Mr. Williams") requesting exemption from the requirements of 40 P.S. §991.1402 for the mergers of The Employers' Fire Insurance Company, Lamorak Insurance Company and Potomac Insurance Company with and into Bedivere Insurance Company, is hereby granted subject to this Order and the following conditions:

1. Mr. Huntington and Mr. Williams shall submit any changes made to the draft Plan of Merger provided with the Application to the Deputy Insurance Commissioner prior to the execution of the changed document.
2. Mr. Huntington and Mr. Williams 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 Insurance Commissioner within ten (10) days of receipt from the Pennsylvania Department of State.
3. This transaction may be recorded as effective for accounting purposes 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 material changes to the representations provided in the Application.



Melissa L Greiner

MELISSA GREINER
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation