

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of ProAssurance Corporation	:	Holding Companies Act, Article
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 its Holding Company	:	P.L. 682, <u>as amended</u> , 40 P.S.
System including Eastern Advantage	:	§§991.1401, 991.1402, and
Assurance Company, Allied Eastern	:	991.1403
Indemnity Company and Eastern Alliance	:	
Insurance Company	:	
	:	Order No. ID-RC-21-16

DECISION AND ORDER

AND NOW, on this 26th day of August, 2021, Melissa L. 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. Eastern Advantage Assurance Company ("EAAC") is a domestic stock casualty insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Lancaster, Pennsylvania.
2. Eastern Alliance Insurance Company ("EAIC") is a domestic stock casualty insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Lancaster, Pennsylvania.

3. Allied Eastern Indemnity Company (“AEIC”) is a domestic stock casualty insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Lancaster, Pennsylvania.
4. Global Alliance Holdings, Ltd. d/b/a Eastern Alliance Insurance Group (“Global Alliance”) is an insurance holding company organized under the laws of Pennsylvania with its principal place of business in Lancaster, Pennsylvania. As of December 30, 2017, Global Alliance directly owned 100% of the issued and outstanding stock of EAAC, EAIC and AEIC (collectively, the “Insurance Subsidiaries”).
5. Eastern Insurance Holdings, Inc. (“Eastern Holdings”) is an insurance holding company organized under the laws of Pennsylvania with its principal place of business in Lancaster, Pennsylvania. As of December 30, 2017, Eastern Holdings directly owned 100% of the issued and outstanding stock of Global Alliance.
6. ProAssurance Corporation (“ProAssurance”), is a corporation organized pursuant to the laws of Delaware with its principal place of business in Birmingham, Alabama. ProAssurance directly holds 100% of the issued and outstanding stock of Eastern Holdings.

Filing of the Application

7. On July 15, 2021, 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 ProAssurance for approval to restructure its holding company system.
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, effective December 31, 2017, Global Alliance merged with and into Eastern Holdings with Eastern Holdings being the surviving entity (the "Merger").
12. ProAssurance did not file for and receive Department approval prior to the Merger.
13. As described in the Application and as a result of the Merger, Eastern Holdings directly owns 100% of the issued and outstanding stock of the Insurance Subsidiaries.
14. As described in the Application, ProAssurance remains the ultimate controlling person of the Insurance Subsidiaries following the Merger.
15. The Insurance Commissioner of the Commonwealth of Pennsylvania ("Insurance 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.
16. The Deputy Commissioner finds that the transaction described in the Application did not have the effect of changing or influencing the control of a domestic insurer.
17. 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 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 Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.

4. The Application was filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The restructuring of the holding company system described in the Application was not contemplated to change or influence the ultimate control of the Insurance Subsidiaries, 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	:	
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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 ProAssurance Corporation requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its holding company system as set forth in the Application, is hereby granted, subject to the following condition:

1. ProAssurance Corporation shall make required filings and obtain required approvals from the Pennsylvania Insurance Department (“Department”) for transactions under the jurisdiction of the Department which require notice to, or prior approval of, the Department.

This Order is effective immediately.



MELISSA L. GREINER
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation