

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Section 357 of the
	:	Insurance Company Law of 1921,
Application of Lackawanna American	:	Act of May 17, 1921, P.L. 682, No.
Insurance Company for Approval to	:	284, <u>as amended</u> , 40 P.S. § 477e
Redomesticate from the Commonwealth	:	
of Pennsylvania to the State of Texas	:	Order No. ID-RC-21-20

DECISION AND ORDER

AND NOW, on this 5th day of October, 2021, Melissa Greiner, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (the "Deputy Insurance Commissioner"), hereby makes the following Decision and Order:

Pursuant to the Insurance Company Law of 1921 and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Insurance Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of Applicant

1. Lackawanna American Insurance Company ("LAIC") is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Wilkes-Barre, Pennsylvania.
2. Lackawanna Casualty Company ("LCC") is a domestic stock casualty insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Wilkes-Barre, Pennsylvania. LCC currently directly holds 100% of the issued and outstanding stock of LAIC.

Filing of Application

3. On August 9, 2021, the Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner") received an initial application (which, together with all material received subsequently, is collectively referenced as "Application") for approval of the redomestication of LAIC from the

Commonwealth of Pennsylvania to the State of Texas.

4. The Application included a request for the licensure of LAIC as a foreign insurance company organized under the laws of the State of Texas effective simultaneous with its redomestication.
5. Section 357 of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. § 477e (the “Insurance Company Law”), provides that any transfer of domicile to any other state by a domestic insurer must be filed with the Commissioner for approval or disapproval.
6. Section 357(b) of the Insurance Company Law provides that, upon any transfer of domicile to any other state by a domestic insurer, said insurer shall be admitted to the Commonwealth of Pennsylvania if qualified as a foreign insurer.
7. As represented in the Application, the redomestication will have no impact on Pennsylvania employment.
8. As represented in the Application, the redomestication is being pursued to align LAIC with the domiciliary footprint of its affiliate, Clear Spring Property and Casualty Company (“Clear Spring”), a foreign stock casualty insurance company that is domiciled in Texas and admitted in Pennsylvania. Clear Spring is the largest property and casualty carrier in the Group One Thousand One insurance holding company system.
9. On August 5, 2021, the Board of Directors of LAIC adopted a resolution consenting to the redomestication of LAIC from the Commonwealth of Pennsylvania to the State of Texas.
10. On August 5, 2021, LCC, as the sole shareholder of LAIC, consented to the redomestication of LAIC from the Commonwealth of Pennsylvania to the State of Texas.

Department Procedures

11. On August 21, 2021, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by LAIC and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending September 20, 2021.
12. During the thirty (30) day comment period, the Department received no comments regarding the Application.
13. The Commissioner has delegated to the Deputy Insurance Commissioner authority to approve the application of domestic insurance companies seeking to redomesticate from Pennsylvania to a foreign jurisdiction.

14. 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. The Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of LAIC.
2. The Commissioner has delegated authority to approve the applications of domestic insurance companies seeking to redomesticate from Pennsylvania to a foreign jurisdiction to the Deputy Insurance Commissioner.
3. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes this redomestication is in accordance with law and is not injurious to the interest of all LAIC policyholders.
4. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes that LAIC would satisfy the requirements for licensure in the Commonwealth of Pennsylvania as a foreign insurer upon its redomestication to the State of Texas.
5. The Application was properly filed pursuant to and in accordance with the Insurance Company Law.
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

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

An approving determination for the redomestication of Lackawanna American Insurance Company ("LAIC") to the State of Texas and the issuance of a Certificate of Authority to LAIC as a foreign stock casualty insurance corporation as set forth in the Application, subject to this Order and the following conditions:

1. LAIC shall obtain approval of the redomestication from the Texas Department of Insurance ("TDI"). A certified copy of the approval issued by the TDI shall be provided to the Deputy Insurance Commissioner within three (3) business days of receipt by LAIC.
2. LAIC shall file governing documents with the TDI. LAIC shall provide the Deputy Insurance Commissioner with a copy of the governing documents indicating receipt by the TDI.
3. LAIC shall provide to the Deputy Insurance Commissioner a copy of the Certificate of Authority issued by the TDI to LAIC as a Texas domiciled insurance company.
4. LAIC shall surrender its current Certificate of Authority as a domestic insurance corporation to the Deputy Insurance Commissioner in exchange for the issuance of a Certificate of Authority as a foreign insurance corporation within seven (7) days of filing the governing documents with the TDI.
5. LAIC shall file a Statement of Domestication with the Pennsylvania Department of State, Corporation Bureau ("DOS") within five (5) days of receiving all prerequisite documents. A complete copy of the Decision and Order must accompany the filing.

6. LAIC shall provide a copy of the Statement of Domestication evidencing acceptance by the DOS to the Deputy Insurance Commissioner within ten (10) days of receipt.

This Order is effective immediately and valid for one (1) year, provided no material changes are made to the transaction prior to consummation. This one-year limitation does not apply to any conditions prescribed by the Department in the Order.



A handwritten signature in black ink that reads "Melissa L Greiner". The signature is written in a cursive style and is positioned above a horizontal line.

Melissa Greiner
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation