

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Brian T. Regan Requesting	:	Holding Companies Act, Article
Exemption from the Requirements of 40	:	XIV of the Insurance Company
P.S. §991.1402 for the Restructuring of his	:	Law of 1921, Act of May 17, 1921,
Holding Company System Which Includes	:	P.L. 682, <u>as amended</u> , 40 P.S.
Saucon Insurance Company	:	§§ 991.1401, 991.1402, and
	:	991.1403
	:	
	:	Order No. ID-RC-21-28

**DECISION AND ORDER**

AND NOW, on this 10th day of November 2021, 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. Saucon Insurance Company (“SIC”) is a domestic stock property insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Allentown, Pennsylvania.
2. Saucon Holding Company (“SHC”) is a business corporation organized pursuant to the laws of Pennsylvania with its principal place of business in Allentown,

Pennsylvania. SHC currently directly holds 100% of the issued and outstanding stock of SIC.

3. Michael G. Crofton (“Mr. Crofton”) is an individual with his principal place of business in Philadelphia, Pennsylvania. Mr. Crofton currently directly holds 20% of the issued and outstanding stock of SHC.
4. Brian T. Regan (“Mr. Regan”) is an individual with his principal place of business in Allentown, Pennsylvania. Mr. Regan currently directly holds 72.8% of the issued and outstanding stock of SHC.
5. Regan Saucon Holdings, LLC (“RSH”) is a limited liability company organized pursuant to the laws of Pennsylvania with its principal place of business in Allentown, Pennsylvania. The membership interests of RSH consist of 1,000 units, with 100 units being Category A voting units and the other 900 units being Category B non-voting units. Mr. Regan currently directly holds 100% of the Category A units and is the sole ultimate controlling person of RSH.
6. Mr. Regan and Mr. Crofton are the ultimate controlling persons of SIC.

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

7. On October 18, 2021, the Department received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from Mr. Regan for approval to restructure his 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, Mr. Regan proposes to contribute 46% of the issued and outstanding stock of SHC to RSH. The remaining 54% of stock of SHC will be unaffected by this transaction (the “Proposed Contribution”).
12. As described in the Application, upon completion of the Proposed Contribution, Mr. Regan and Mr. Crofton will remain as the ultimate controlling persons of SIC.
13. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Insurance Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.
14. The Deputy Commissioner finds that the transactions described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
15. 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 Insurance 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 proposed in the Application is not being contemplated to change or influence the ultimate control of SIC, 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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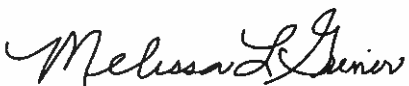
**ORDER**

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 Brian T. Regan requesting exemption from the requirements of 40 P.S. § 991.1402 for the restructuring of his holding company system, 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.



  
MELISSA GREINER  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation