

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 |
| Application of QBE Insurance Group | : | Holding Companies Act, Article |
| Limited Requesting Exemption from the | : | XIV of the Insurance Company |
| Requirements of 40 P.S. § 991.1402 for | : | Law of 1921, Act of May 17, 1921, |
| the Restructuring of their Holding | : | P.L. 682, <u>as amended</u> , 40 P.S. |
| Company System, which Includes | : | §§ 991.1401, 991.1402, and |
| Praetorian Insurance Company and | : | 991.1403 |
| Stonington Insurance Company | : | |
| | : | Order No. ID-RC-22-02 |

DECISION AND ORDER

AND NOW, on this 7th day of April 2022, 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. Stonington Insurance Company (“SIC”) is a domestic stock casualty insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Sun Prairie, Wisconsin.
2. QBE Stonington Insurance Holdings Inc. (“QSIH”) is an insurance holding company organized pursuant to the laws of Delaware with its principal place of

business in Sun Prairie, Wisconsin. QSIH currently directly holds 100% of the issued and outstanding stock of SIC.

3. Praetorian Insurance Company (“PIC”, and collectively referenced with SIC as the “Domestic Insurers”) is a domestic stock casualty insurance company organized pursuant to the laws of Pennsylvania with its principal place of business in Sun Prairie, Wisconsin.
4. QBE Holdings, Inc. (“QH”) is an insurance company organized pursuant to the laws of Delaware with its principal place of business in New York, New York. QH currently directly holds 100% of the issued and outstanding stock of PIC and QSIH.
5. QBE Insurance Group Limited (“QBE Group”) is a corporation organized pursuant to the laws of Australia with its principal place of business in Sydney, Australia. QBE Group currently indirectly holds 100% of the issued and outstanding stock of QH.
6. No person controls QBE Group.
7. QBE Group is the sole ultimate controlling person of the Domestic Insurers.

Filing of the Application

8. On March 23, 2022, 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 QBE Group for approval to restructure their holding company system that includes the Domestic Insurers.
9. 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.
10. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
11. 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

12. As described in the Application, QBE Group intends to restructure its holding company system by transferring the ownership of SIC from QSIH to PIC (the “Restructuring”).
13. As described in the Application, to accomplish the Restructuring, QBE Group will first cause QSIH to contribute 100% of the issued and outstanding stock of SIC to QH.
14. As described in the Application, QBE Group will next cause QH to contribute 100% of the issued and outstanding stock of SIC to PIC
15. As described in the Application, upon completion of the Restructuring, SIC will become a direct, wholly owned subsidiary of PIC and PIC will remain as a direct, wholly owned subsidiary of QH.
16. As described in the Application, upon completion of the Restructuring, QBE Group will remain as the sole ultimate controlling person of the Domestic Insurers.
17. 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.
18. 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.
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 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 the Domestic Insurers, 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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| Company System, which includes | : | §§ 991.1401, 991.1402, and |
| Praetorian Insurance Company and | : | 991.1403 |
| Stonington Insurance Company | : | |
| | : | Order No. ID-RC-22-02 |

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 QBE Insurance Group Limited requesting exemption from the requirements of 40 P.S. § 991.1402 for the restructuring of its holding company system that includes Praetorian Insurance Company and Stonington Insurance Company, 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.



A handwritten signature in cursive script that reads "Melissa Greiner".

MELISSA GREINER
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation