

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 4161 and
	:	4162 of the Business Corporation
Application of QBE Insurance	:	Law of 1988, Act of December 21,
Corporation for Approval to	:	1988, P. L. 1444, <u>as amended</u> ,
Redomesticate from the State of Delaware	:	15 Pa.C.S. §§ 4161 and 4162, and
to the Commonwealth of Pennsylvania	:	Section 357 of the Insurance
	:	Company Law, Act of May 17,
	:	1921, P.L. 682, No. 284, <u>as</u>
	:	<u>amended</u> , 40 P.S. § 477e
	:	
	:	Order No. ID-RC-02-16

DECISION AND ORDER

AND NOW, on this 25th day of July 2002, M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Business Corporation Law and the Insurance Company Law and in consideration of the documents, presentations, and reports received, as well as other inquiries and studies as permitted by law, the Commissioner hereby makes the following Findings of Fact:

FINDINGS OF FACT

Identity of the Applicant

1. QBE Insurance Corporation (“QBEIC”) is a foreign stock casualty insurance company organized under the laws of Delaware with its principal place of business located in New York, New York.
2. QBEIC is a wholly owned subsidiary of QBE Reinsurance Corporation (“QBE Re”), a domestic stock property insurance company.
3. QBEIC and QBE Re are members of a holding company system with QBE Insurance Group Limited, an Australian based international insurance company, as the ultimate parent.

Filing of the Application

4. On April 30, 2002, the Pennsylvania Insurance Department (“Department”) received an initial application (which, together with all material received subsequently, is collectively referenced as “Application”) from QBEIC for approval to redomesticate from the State of Delaware to the Commonwealth of Pennsylvania.
5. The Application was filed pursuant to Sections 4161 and 4162 of the Business Corporation Law, as amended, 15 Pa.C.S. §§ 4161 and 4162 (cited as “Business Corporation Law”), and Section 357 of the Insurance Company Law, Act of May 17, 1921, P.L. 682, No. 284, as amended, 40 P.S. § 477e (cited as “Insurance Company Law”).

Notice of Filing and Comments

6. On May 11, 2002, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by QBEIC, and such notice invited interested persons to submit comments to the Department regarding the Application for a 30-day period, ending June 10, 2002.
7. During the 30-day period, the Department received no comments regarding the Application.

The Transaction

8. QBEIC currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact property and allied lines, inland marine and physical damage, ocean marine, fidelity and surety, accident and health, glass, other liability, boiler and machinery, burglary and theft, credit, water damage, elevator, livestock, auto liability, personal property floater, and workers’ compensation classes of insurance business.
9. QBEIC desires to redomesticate to the Commonwealth of Pennsylvania as a domestic stock casualty insurance company to achieve regulatory efficiencies by aligning itself with its parent, QBE Re.
10. On March 25, 2002, the Board of Directors of QBEIC passed a resolution deeming it in the best interest of the company to redomesticate from the State of Delaware to the Commonwealth of Pennsylvania (“the Resolution”).
11. On March 25, 2002, the sole shareholder of QBEIC approved the Resolution.

12. QBEIC has indicated that its principal place of business will remain in New York, New York.
13. QBEIC has stated that it will transact the business of insurance in the Commonwealth in accordance with applicable laws, including the Insurance Company Law.
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. Section 357 of the Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of QBEIC.
2. A redomestication by a foreign business corporation is provided for in subsection 4161(a) of the Business Corporation Law.
3. The Application satisfies the requirements of all applicable laws and regulations.
4. 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 Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) hereby makes the following Order:

The Application of QBE Insurance Corporation (“QBEIC”) for approval to redomesticate from the State of Delaware to the Commonwealth of Pennsylvania and the issuance of a Certificate of Authority as a domestic stock casualty insurance corporation, as set forth in the Application, is hereby granted, subject to this Order and the following conditions:

1. QBEIC shall obtain approval of the Redomestication from the State of Delaware Department of Insurance. A certified copy of the approval issued by the State of Delaware Department of Insurance shall be provided to the Commissioner within five (5) days of QBEIC receiving the approval.
2. QBEIC shall file Articles of Domestication with the Pennsylvania Department of State in accordance with subsection 4161(b) of the Business Corporation Law after receipt of the approval of the State of Delaware Department of Insurance and within one year of the date of this order.
3. QBEIC shall comply with the requirements of 40 P.S. § 991.1405 (c)(3) and (4) prior to filing Articles of Domestication with the Pennsylvania Department of State.

4. QBEIC shall file a copy of the Articles of Domestication, as filed with the Pennsylvania Department of State, with the Pennsylvania Insurance Department (“Department”) within ten (10) days of receipt from the Pennsylvania Department of State.
5. At the time the Articles of Domestication are filed with the Department, QBEIC shall file an executed copy of Amended and Restated Bylaws that comply with the requirements of Chapter 31 of the Business Corporation Law.
6. At the time the Articles of Domestication are filed with the Department, QBEIC shall surrender its current Certificate of Authority as a foreign insurance corporation in exchange for the issuance of a Certificate of Authority as a domestic stock casualty insurance corporation.

This Order is effective immediately.

M. Diane Koken
Insurance Commissioner
Commonwealth of Pennsylvania