

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to Subchapter F of Chapter 19
: of the Business Corporation Law of 1988,
Application of U.S. Insurors Company : Act of December 21, 1988, P.L. 1444, as
Requesting Approval to Surrender its : amended, 15 Pa. C.S. §§ 1972 - 1979 and
Certificate of Authority, Issue a : Sections 205 and 207 of the GAA
Liquidating Dividend and Voluntarily : Amendments Act of 1990, Act of
Dissolve : December 19, 1990, P.L. 834, No. 198, as
: amended, 15 P.S. §§21205 and 21207
:
: Order No. ID-RC-03-10

DECISION AND ORDER

AND NOW, on this 3rd day of April, 2003, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania ("Deputy Commissioner"), hereby makes the following Order:

Pursuant to the Business Corporation Law 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

1. U.S. Insurors Company ("U.S. Insurors") is a domestic stock property insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business at Philadelphia, Pennsylvania.
2. On February 12, 2003, the Insurance Department of the Commonwealth of Pennsylvania ("Department") received a request (which, together with all material received subsequently, is hereinafter referenced as "Request") from U.S. Insurors to voluntarily dissolve pursuant to Chapter 19, Subchapter F of the Business Corporations Law, 15 Pa.C.S. §§1971-1979 ("BCL").
3. The GAA Amendments Act of 1990, Act of December 19, 1990, P.L. 834, Sections 205 and 207, 15 P.S. §§21205 and 21207 (the "GAA Amendments"), provides that all applications for voluntary dissolutions of domestic insurers must be filed with the Department for approval or disapproval.
4. On March 8, 2003, the Department published notice in the *Pennsylvaniana Bulletin* that the Request was submitted by U.S. Insurors, and such notice invited

- interested persons to submit comments to the Department regarding the Request for a seven (7) day period, ending March 15, 2003.
5. During the seven day period, the Department received no comments regarding the Request.
 6. As permitted by 15 Pa.C.S. §1905, U.S. Insurors has provided a resolution of U.S. Insurors' Board of Directors ("the Resolution") which provides for:
 - a) the voluntary dissolution of U.S. Insurors' corporate existence and
 - b) the issuance of a liquidating dividend to the sole shareholder as permitted by 15 Pa. C.S. §1975(c).
 7. The Resolution also contains provisions for the surrender of U.S. Insurors' Certificate of Authority to transact insurance business in Pennsylvania.
 8. U.S. Insurors has provided that notice will appear in publications of general interest advising the public and policyholders of the proposed dissolution.
 9. U.S. Insurors has provided that notice of the winding up proceedings will be provided to each known creditor and claimant and to each municipal corporation in which U.S. Insurors' registered office or principal place of business in Pennsylvania is located as required by 15 Pa.C.S. §1975(b).
 10. As stated in the Request, U.S. Insurors has no known insurance related liabilities.
 11. As stated in the Request, U.S. Insurors has made adequate provision for the discharge of the liabilities of the company as required by 15 Pa.C.S. §1975(c).
 12. As stated in the Request, the purpose of this transaction is to dissolve U.S. Insurors.
 13. As stated in the Request, U.S. Insurors has agreed that it will not transact any insurance business after the Certificate of Authority is surrendered to the Department.
 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 Request was properly filed by U.S. Insurors pursuant to and in accordance with the requirements of Sections 205 and 207 of the GAA Amendments.
2. As required by Section 1975 of the BCL, adequate provision has been made for the discharge of all the liabilities of U.S. Insurors.
3. Based on all the information and analyses received and the Department's independent review, the Deputy Commissioner finds that the Request is in accordance with the law and is not injurious to U.S. Insurors' policyholders and creditors.
4. The Request satisfies the requirements of applicable laws of the BCL.
5. 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 Commissioner hereby approves the Request for dissolution as filed on February 12, 2003, by U.S. Insurors Company ("U.S. Insurors"), subject to the following conditions:

1. U.S. Insurors shall surrender its Certificate of Authority to the Insurance Department.
2. Upon written notice from the Department acknowledging receipt of the Certificate of Authority, U.S. Insurors may issue the liquidating dividend to its shareholder.
3. U.S. Insurors shall not transact any type of insurance business in the Commonwealth of Pennsylvania or in any other jurisdiction, without the explicit prior written approval of the Department.
4. U.S. Insurors shall not arrange for the sale nor transfer of the company, including its name and goodwill, to another person without the explicit prior written approval of the Department.
5. Within thirty (30) days of receipt of this Order and Dissolution Clearance Certificates from the Department of Revenue and from the Department of Labor and Industry, U.S. Insurors shall file Articles of Dissolution with the Commonwealth of Pennsylvania Department of State, in accordance with Section 1977 of the BCL (15 Pa.C.S. §1977).
6. Within thirty (30) days of written approval of the Articles of Dissolution by the Department of State, U.S. Insurors shall file such approval with the Insurance Department.

7. U.S. Insurors shall complete its dissolution within ninety (90) days of receipt of approval of the Articles of Dissolution from the Department of State.
8. Within thirty (30) days of completion of dissolution, U.S. Insurors shall provide written notice of the completion of the dissolution to the Department.

This Order is effective immediately.

Stephen J. Johnson
Deputy Insurance Commissioner
Commonwealth of Pennsylvania