

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Everett Cash Mutual	:	Holding Companies Act, Article
Insurance Company Requesting	:	XIV of the Insurance Company
Exemption from the Requirements of 40	:	Law of 1921, Act of May 17, 1921,
P.S. §991.1402 for a Change in the	:	P.L. 682, as amended, 40 P.S.
Insurance Holding Company System of	:	§§991.1401, 991.1402, and
which 1 st Choice Auto Insurance	:	991.1403
Company, Inc. is a Member	:	
	:	ID-RC-07-24

DECISION AND ORDER

AND NOW, on this 28th day of June, 2007, Stephen J. Johnson, 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

1. 1st Choice Auto Insurance Company, Inc. (“1st Choice”) is a stock casualty insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Everett, Pennsylvania.
2. 1st Choice Holdings, Inc. (“Holdings”) is an insurance holding company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Everett, Pennsylvania. Holdings directly holds 100% of the issued and outstanding capital stock of 1st Choice.
3. Everett Cash Mutual Insurance Company (“Everett Cash”) is a mutual casualty insurance company organized pursuant to the laws of the Commonwealth of

Pennsylvania with its principal place of business located in Everett, Pennsylvania. Everett Cash directly holds 100% of the issued and outstanding capital stock of Holdings.

4. On June 26, 2007, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Request”) from Everett Cash for approval to effectuate a corporate restructuring which will result in a change in the chain of control within the holding company system of 1st Choice, although the ultimate controlling person will not change.
5. As described in the Request, Holdings will transfer its holdings of 1st Choice stock to Everett Cash. The result will be Everett Cash directly holding 100% of the issued and outstanding common stock of 1st Choice.
6. 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 changes in control of domestic RANLI PPOs must be filed with the Commissioner for approval or disapproval.
7. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
8. As provided in the Request, the ultimate controlling person of 1st Choice will remain Everett Cash.
9. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction does not have the effect of changing or influencing the control of a domestic insurance company.
10. The Deputy Commissioner finds that the transaction described in the Request does not have the effect of changing or influencing the ultimate control of a domestic insurance company.
11. 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 voting securities of a domestic insurance company if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Request satisfies the requirements of all applicable laws and regulations.
3. The change in direct control proposed in the Request is not being contemplated to change or influence the ultimate control of 1st Choice, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
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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which 1 st Choice Auto Insurance	:	991.1403
Company, Inc. is a Member	:	
	:	ID-RC-07-24

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 request for exemption from the requirements of 40 P.S. Section 991.1402 for the change in Insurance Holding Company system of which 1st Choice Auto Insurance Company, Inc. is a member, as set forth in the Request, is hereby granted.

This Order is effective immediately and valid for one year from the date of signature, provided there are no significant changes from the Request.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Corporate and Financial Regulation