

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

| | | |
|---------------------------------------|---|---------------------------------------|
| In Re: | : | Pursuant to Sections 4161 and |
| | : | 4162 of the Business Corporation |
| Application of Praetorian Insurance | : | Law of 1988, Act of December 21, |
| Company for Approval to Redomesticate | : | 1988, P. L. 1444, <u>as amended</u> , |
| from the State of Illinois to the | : | 15 Pa.C.S. §§ 4161 and 4162, and |
| 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-09-17 |

DECISION AND ORDER

AND NOW, on this 17th day of July, 2009, Joel Ario, 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. Praetorian Insurance Company (“Praetorian”) is a foreign stock casualty insurance company organized under the laws of Illinois with its principal place of business located in New York, New York.
2. Praetorian Financial Group, Inc. (“Praetorian Financial”) is a business corporation organized under the laws of the state of Delaware, with its principal place of business located in New York, New York. Praetorian Financial directly holds 100% of the issued and outstanding voting stock of Praetorian.
3. QBE Insurance Group Limited (“QBE”) is a business corporation organized under the laws of Australia with its principal place of business located in Sydney, Australia. QBE indirectly controls 100% of the issued and outstanding voting stock of

Praetorian Financial.

4. No person controls QBE.
5. QBE is the sole ultimate controlling person of Praetorian.

Filing of the Application

6. On February 4, 2009, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial application (which, together with all material received subsequently, is collectively referenced as “Application”) from Praetorian for approval to redomesticate from the State of Illinois to the Commonwealth of Pennsylvania.
7. 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

8. On February 21, 2009, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) published notice in the *Pennsylvania Bulletin* that the Application was submitted by Praetorian, and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending March 23, 2009.
9. During the thirty (30) day period, the Department received no comments regarding the Application.

The Transaction

10. Praetorian currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact all property and casualty classes of insurance business.
11. Praetorian desires to redomesticate to the Commonwealth of Pennsylvania as a domestic stock casualty insurance company.
12. On May 27, 2009, the Board of Directors of Praetorian Financial passed a resolution that Praetorian redomesticate from the State of Illinois to the Commonwealth of Pennsylvania.

13. Praetorian has indicated that its principal place of business will not change from New York, New York.
14. Praetorian has stated that it will transact the business of insurance in the Commonwealth in accordance with applicable laws, including the Insurance Company Law.
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. Section 357 of the Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of Praetorian.
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 Praetorian Insurance Company (“Praetorian”) for approval to redomesticate from the State of Illinois 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. Praetorian 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 Illinois Department of Insurance and within one year of the date of this order.
2. Praetorian shall comply with the requirements of 40 P.S. Section 991.1405 (c)(3) and (4) prior to filing Articles of Domestication with the Pennsylvania Department of State.
3. Praetorian shall file a copy of the Articles of Domestication, as filed with the Pennsylvania Department of State, with the Insurance Department within ten (10) days of receipt from the Pennsylvania Department of State.
4. At the time the Articles of Domestication are filed with the Insurance Department, Praetorian 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.

Joel Ario
Insurance Commissioner
Commonwealth of Pennsylvania