

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Tiptree Financial Partners,	:	Holding Companies Act, Article
L.P. Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for the	:	Law of 1921, Act of May 17, 1921,
Restructuring of its Holding Company	:	P.L. 682, as amended, 40 P.S.
System, which includes Philadelphia	:	§§991.1401, 991.1402, and
Financial Life Assurance Company	:	991.1403
	:	
	:	
	:	Order No. ID-RC-13-01

DECISION AND ORDER

AND NOW, on this 15th day of February, 2013, 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

Identity of the Parties

1. Philadelphia Financial Life Assurance Company (“PFLAC”) is a domestic stock life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
2. Philadelphia Financial Group, Inc. (“PFG”) is a domestic holding company organized under the laws of the Commonwealth of Pennsylvania with its principal

- place of business in Philadelphia, Pennsylvania. PFG currently holds 100% of the issued and outstanding stock of PFLAC.
3. PFG Holdings Acquisition Corp. (“PHAC”) is a foreign corporation organized under the laws of the state of Delaware with its principal place of business in New York, New York. PHAC currently holds approximately 88.3% of the issued and outstanding stock of PFG.
 4. Tiptree Operating Company, LLC (“TOC”) is a newly formed foreign limited liability company organized under the laws of the state of Delaware with its principal place of business in New York, New York.
 5. Care Investment Trust Inc. (“Care”) is a foreign corporation organized under the laws of the state of Maryland with its principal place of business in New York, New York. Care currently holds 100% of the issued and outstanding membership interests of TOC.
 6. Tiptree Financial Partners, L.P. (“TFP”) is a limited partnership organized under the laws of the state of Delaware with its principal place of business in New York, New York. TFP currently holds 100% of the issued and outstanding stock of PHAC and approximately 91.3% of the issued and outstanding stock of Care.
 7. Tricadia Capital, LLC (“Capital”) is a foreign limited liability company organized under the laws of the state of Delaware with its principal place of business in New York, New York. Capital currently is the sole general partner of TFP.
 8. Tricadia GP Holdings, LLC (“GP Holdings”) is a limited liability company organized under the laws of the state of Delaware with its principal place of business in New York, New York. GP Holdings currently holds 100% of the issued and outstanding membership interests of Capital.
 9. Michael Barnes (“Mr. Barnes”) is an individual with his principal business address located in New York, New York. Mr. Barnes is currently one of two managing members of GP Holdings.
 10. Arif Inayatullah (“Mr. Inayatullah”) is an individual with his principal business address located in New York, New York. Mr. Inayatullah is currently one of two managing members of GP Holdings.
 11. Mr. Barnes and Mr. Inayatullah are each an ultimate controlling person of PFLAC.

Filing of the Application

12. On February 6, 2013, 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 TFP for approval to effectuate a plan of reorganization of the holding company system that includes PFLAC.
13. 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.
14. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
15. 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

16. As described in the Application, the first step of the contemplated transaction calls for Care to contribute 75% of its membership interests in TOC to TFP. Care will continue to own the other 25% interest in TOC.
17. As described in the Application, the second step of the contemplated transaction calls for TFP to contribute, among other things, 100% of its shares of PHAC to TOC.
18. As described in the Application, upon completion of the contemplated transaction, Mr. Barnes and Mr. Inayatullah will both remain as an ultimate controlling person of PFLAC.
19. 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.
20. 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 Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
3. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
4. The transaction is not being contemplated to change or influence the ultimate control of PFLAC, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
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 No. ID-RC-13-01

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 Tiptree Financial Partners, L.P. requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its holding company system, which includes Philadelphia Financial Life Assurance 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.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner