

Harrisburg, Pennsylvania. OBIC directly holds 100% of the issued and outstanding voting stock of OBAIC and EFIC.

4. White Mountains Insurance Group, Ltd. (“WMIG”) is a limited liability company organized under the laws of Bermuda with its principal place of business located in Hanover, New Hampshire. WMIG indirectly holds greater than 75% of the issued and outstanding voting stock of OBIC.
5. No person controls WMIG.
6. WMIG is the sole ultimate controlling person of OBIC.

Filing of the Application

7. On April 4, 2013, 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 OBAIC and EFIC for approval to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania.
8. The Application was reviewed pursuant to Section 357 of the Insurance Company Law.

Notice of Filing and Comments

9. On April 20, 2013, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by OBAIC and EFIC, and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending May 20, 2013. (“Comment Period”)
10. The Department received two comments regarding the Application during the Comment Period. (“Public Comments”)
11. Although the Public Comments referenced the Redomestication, the Comments were directed toward the overall strategic plan of OBIC, and thus were not relevant to the redomestication filing.
12. The Department has determined that the Public Comments were more appropriately related to a Form A filing that is currently under review by the Department, in which Trebuchet U.S. Holdings, Inc. is seeking to acquire stock of OneBeacon Insurance Company and Potomac Insurance Company. As such, the Department will consider the Public Comments in conjunction with the Form A proceeding.

The Transaction

13. OBAIC currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact fire & allied lines, inland marine & auto physical damage, ocean marine, fidelity & surety, accident & health, glass, other liability, boiler & machinery, burglary & theft, credit, water, elevator, livestock, auto liability, mine, personal property floater and workers' compensation classes of insurance business.
14. EFIC currently holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer to transact fire & allied lines, inland marine & auto physical damage, ocean marine, fidelity & surety, accident & health, glass, other liability, boiler & machinery, burglary & theft, credit, water, elevator, livestock, auto liability, personal property floater and workers' compensation classes of insurance business.
15. OBAIC and EFIC desire to redomesticate to the Commonwealth of Pennsylvania as domestic stock casualty insurance companies.
16. On January 31, 2013, the Board of Directors of OBAIC and EFIC passed a resolution that OBAIC and EFIC redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania.
17. OBAIC and EFIC will relocate their statutory home offices from Canton, Massachusetts to Pennsylvania upon approval to redomesticate.
18. OBAIC and EFIC have stated that they will transact the business of insurance in the Commonwealth in accordance with applicable laws, including the Insurance Company Law.
19. 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 OBAIC and EFIC (40 P.S. §477e).
2. Pursuant to section 357(a), “[a]ny insurer which is organized under the laws of any other state and is admitted to do business in this Commonwealth for the purpose of writing insurance may become a domestic insurer by complying with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating its principal place of business at a place in this Commonwealth. Said domestic insurer will be entitled to a like certificate of authority to transact business in this Commonwealth, and shall be subject to the authority and jurisdiction of this Commonwealth” (40 P.S. §477e(a)).
3. The Application satisfies the requirements of all applicable laws and regulations and standards for organization and licensure.
4. The Application satisfies the requirement that a principal place of business in the Commonwealth be designated by transferring the location of the statutory home offices of OBAIC and EFIC to the Commonwealth of Pennsylvania.
5. A redomestication by a foreign business corporation is provided for in subsection 4161(a) of the Business Corporation Law (15 Pa. C.S. §4161(a)).
6. 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.

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Section 357 of the
	:	Insurance Company Law, Act of
Application of OneBeacon America	:	May 17, 1921, P.L. 682, No. 284,
Insurance Company and The Employers’	:	<u>as amended</u> , 40 P.S. § 477e
Fire Insurance Company for Approval to	:	
Redomesticate from the Commonwealth	:	
of Massachusetts to the Commonwealth of	:	
Pennsylvania	:	
	:	
	:	
	:	
	:	
	:	Order No. ID-RC-13-08

ORDER

Upon consideration of the foregoing, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) hereby makes the following Order:

The Application of OneBeacon America Insurance Company (“OBAIC”) and The Employers’ Fire Insurance Company (“EFIC”) for approval to redomesticate from the Commonwealth of Massachusetts 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. OBAIC and EFIC 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 Massachusetts Department of Insurance and within one year of the date of this order.
2. OBAIC and EFIC 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.
3. OBAIC and EFIC 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, OBAIC and EFIC shall surrender their current Certificates of Authority as a foreign insurance corporation in exchange for the issuance of Certificates of Authority as a domestic stock casualty insurance corporation.

This Order is effective immediately.

Michael F. Consedine
Insurance Commissioner
Commonwealth of Pennsylvania