

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Sections 1401, 1402,
: and 1403 of the Insurance
Application of QBE Holdings, Inc. : Holding Companies Act, Article
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,
Acquisition of North Pointe Insurance : P.L. 682, as amended, 40 P.S.
Company : §§991.1401, 991.1402, and
: 991.1403
: :
: Order No. ID-RC-14-02

DECISION AND ORDER

AND NOW, on this 21st day of March, 2014, 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. North Pointe Insurance Company (“NPIC”) is a domestic stock casualty insurance company organized under the laws of Pennsylvania with its statutory home office located in Harrisburg, Pennsylvania.
2. North Pointe Financial Services, Inc. (“NPFS”) is a foreign non-insurance company organized under the laws of Michigan with its principal place of

business located in Southfield, Michigan. NPFS currently directly holds 100% of the issued and outstanding stock of NPIC.

3. QBE Holdings, Inc. (“QBEH”) is a foreign holding company organized under the laws of Delaware with its principal place of business in New York, New York. QBEH currently directly holds 100% of the issued and outstanding stock of NPFS.
4. QBE Insurance Group Limited (“QBE Group”) is an alien holding company organized under the laws of Australia with its principal place of business located in Sydney, Australia. QBE Group currently indirectly holds 100% of the issued and outstanding stock of QBEH.
5. No person controls QBE Group.
6. QBE Group is the sole ultimate controlling person of NPIC.

Filing of the Application

7. On January 28, 2014, 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 QBEH for approval to acquire control of NPIC.
8. 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.
9. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
10. 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

11. As described in the Application, NPFS will merge with and into NPIC, with NPIC being the surviving entity. QBEH will receive an equivalent number of shares in NPIC as it had in NPFS, and the separate corporate existence of NPFS will cease.
12. As described in the Application, upon completion of the merger, QBEH will directly hold 100% of the issued and outstanding stock of NPIC.
13. As described in the Application, upon completion of the mergers, QBE Group will remain as the sole ultimate controlling person of NPIC.
14. 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.
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. 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 NPIC, 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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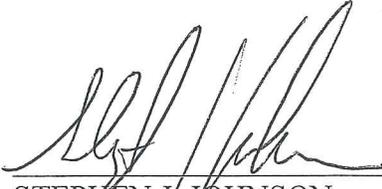
ORDER

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 QBE Holdings, Inc. requesting exemption from the requirements of 40 P.S. §991.1402 for the acquisition of North Pointe Insurance 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