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Corporate & Financial Regulation

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By FedEx

July 2, 2014

**Pennsylvania  
Insurance Department**

Mr. Stephen Johnson  
Pennsylvania Insurance Department  
Bureau of Company Licensing and Financial Analysis  
1345 Strawberry Square  
Harrisburg, PA 17120

*Re: Application for Approval to Acquire Control of OneBeacon Insurance Company and Potomac Insurance Company, 43 Pa. Bull. 1157 (Feb. 23, 2013) - Reply In Support of Petition to Intervene by Colgate-Palmolive Company*

Dear Mr. Johnson:

In further support of its Petition to Intervene in the above-referenced proceeding, Colgate-Palmolive Company ("Colgate"), through its attorneys, submits this letter in response to the June 21, 2014 notice of "a public informational hearing" regarding the acquisition that OneBeacon Insurance Group LLC ("OBIG") and Armour Group Holdings, Ltd. ("Armour") (collectively the "Applicants") have proposed (the "Notice"). As the Department is aware, the Applicants propose an acquisition of OneBeacon Insurance Company's ("OBIC"), OneBeacon America Insurance Company's ("OBA"), and Potomac Insurance Company's ("Potomac") run-off risks by Trebuchet US Holdings, Inc., a subsidiary of Bermuda-domiciled and Bermuda-incorporated Armour (the "Proposed Acquisition").

The Notice invites policyholders to attend and participate. Colgate intends to attend and participate in the hearing on July 23, 2014.

The Notice does not provide an explanation of the format of the hearing or what form of participation by policyholders will be permitted. Please provide us with guidance as to how the Department will structure the hearing. Please further provide us with any rules or restrictions that the Department will enforce as to the July 23<sup>rd</sup> hearing.

In its Petition to Intervene in the Proposed Acquisition, Colgate has repeatedly stated, among other things, that it does not believe that a hearing in which it is not permitted to participate as a party would fulfill Pennsylvania's due process requirements. Based on the information we have to date, we respectfully do not believe the currently scheduled hearing provides the rights afforded interveners under 1 Pa. Code § 35.27-.28 and 31 Pa. Code § 56.1.

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As pointed out by numerous other policyholders, the Applicants have failed to make available many of the key documents that evidence the substance of the Proposed Acquisition. Without these documents, it is difficult, if not impossible, for policyholders to understand the effects of the Proposed Acquisition on coverage or to fully explain the negative effects policyholders will suffer. Colgate has previously submitted correspondence and other documents to the Department explaining how even the publicly available information suggests, and in some cases demonstrates, that the Proposed Acquisition will leave the companies transferred to Armour undercapitalized, even given the known liabilities.

Colgate maintains that its Petition to Intervene should be granted before any hearing as to the Proposed Acquisition is held. It further requests that the hearing as to the merits of the Proposed Acquisition be postponed until its Petition to Intervene has been ruled upon.

Colgate intends to appear and appreciates the opportunity to be heard. Colgate, however, does not waive its rights, and expressly reserves its rights, including to intervene in the Proposed Acquisition and seek a full hearing of the matter.

Respectfully submitted,

Jerry S. Goldman

JSG/hs

cc: Alexander D. Hardiman, Esq.  
Daniel J. Healy, Esq.