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Daniel J. Healy, Esq.
dhealy@andersonkill.com
202-416-6547

By E-mail to RTK-Insurance@pa.gov

July 11, 2013

Pennsylvania Insurance Department
Agency Open Records Office
Attn: Peter J. Salvatore, Agency Open Records Officer
1326 Strawberry Square
Harrisburg, PA 17120

Re: Request for Records

Dear Mr. Salvatore:

Colgate-Palmolive Company ("Colgate"), through its attorneys, submits this request for the release of records under the Pennsylvania Right-to-Know Law, 65 P.S. § 67.101, *et seq.* ("RTKL") and the Pennsylvania Insurance Department's (the "Department") Right to Know Law Policy (the "Policy"). The requests set forth more specifically below relate generally to the proposed acquisition of OneBeacon Insurance Company's, OneBeacon America Insurance Company's, and Potomac Insurance Company's run-off risks by Trebuchet US Holdings, Inc., a subsidiary of Bermuda-domiciled and Bermuda-incorporated Armour Group Holdings Limited (the "Proposed Acquisition") and the related applications to redomesticate OneBeacon corporate affiliates.

We respectfully request copies of the following documents:

1. All documents submitted as attachments to the Application for the Redomestication of OneBeacon America Insurance Company (NAIC # 20621) dated April 2, 2013, including but not limited to Exhibits A through T that are referenced in the cover letter to that application. A copy of the letter is attached as Exhibit 1.
2. All documents submitted as attachments to the Application for the Redomestication of The Employers' Fire Insurance Company (NAIC # 20648) dated April 2, 2013, including but not limited to Exhibits A through T that are referenced in the cover letter to that application. A copy of the letter is attached as Exhibit 2.
3. All documents, other than those provided in response to above requests 1 and 2, that have been submitted to the Department regarding either of the applications to redomesticate referenced in requests 1 and 2, above.

Anderson Kill & Olick, LLP

Mr. Peter J. Salvatore
July 11, 2013
Page 2

4. All documents submitted as attachments to the Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer One Beacon Insurance Company (PA) and Potomac Insurance Company (PA) by Armour Group Holdings limited, through its subsidiary, Trebuchet US Holdings, Inc., dated February 7, 2013 (the "Form A"), including but not limited to the Exhibits referenced therein that are not posted on the Department's web page for the Proposed Acquisition (e.g., Exhibit SCH, Exhibit EXS, Exhibit BIO, Exhibit PLAN, Exhibit A-2007, Exhibit A-2008, Exhibit A-2009, Exhibit A-2010, Exhibit A-2011, and Exhibit E). A copy of the Form A is attached as Exhibit 3.

5. All documents, other than those provided in response to above request 4, above, that have been submitted to the Department regarding the Proposed Acquisition.

6. All documents relating to or constituting the most recent completed examinations by the Insurance Department of any of Potomac Insurance Company, OneBeacon Insurance Company and OneBeacon America Insurance Company and, if any of these companies currently is under examination, all documents relating to such examination(s) as well.

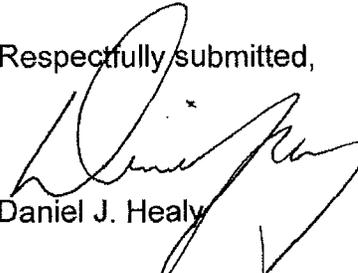
There is no need for the Department to provide copies of submissions made by Colgate that may be responsive to the above requests.

All responses may be sent to:

Daniel J. Healy
Anderson Kill & Olick, LLP
1717 Pennsylvania Avenue, Suite 200
Washington, DC 20006
Tel.: (202) 416-6500
Fax: (202) 416-6555
E-mail: dhealy@andersonkill.com

Should you require additional information, please do not hesitate to contact me.

Respectfully submitted,


Daniel J. Healy

DJH/plp

EXHIBIT 1



150 Royall Street
MD C2-35
Canton, MA 02021
onebeacon.com

RECEIVED
Corporate & Financial Regulation

APR - 4 2013

Pennsylvania
Insurance Department

Virginia A. McCarthy
Associate General Counsel

VIA OVERNIGHT MAIL

April 2, 2013

Robert E. Brackbill
Chief, Company Licensing Division
Pennsylvania Insurance Department
Bureau of Company Licensing and Financial Analysis
1345 Strawberry Square
Harrisburg, PA 17120

**Re: Redomestication of OneBeacon America Insurance Company
(NAIC# 20621)**

Dear Mr. Brackbill:

I am writing on behalf of the OneBeacon Insurance Group LLC ("OneBeacon Group") seeking approval of the proposed transfer of domicile of OneBeacon America Insurance Company ("OneBeacon America"), a property and casualty insurance company incorporated under the laws of the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. Approval is sought pursuant to Pennsylvania's Business Corporation Law and Insurance Company Law.

OneBeacon America holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer. Attached as Exhibit A is a copy of OneBeacon America's current Certificate of Authority in Pennsylvania for the period April 1, 2013 - March 31, 2014. OneBeacon America has been issuing property and casualty insurance in Pennsylvania since 1969. It is a wholly owned subsidiary of OneBeacon Insurance Company.

The proposed redomestication is part of a multi-step process involving the restructure of the companies within the OneBeacon Group, including the proposed sale of OneBeacon Insurance Company and Potomac Insurance

Company to a subsidiary of Armour Group Holdings Limited. As a pre-closing condition to the sale, OneBeacon Group has agreed, among other things, to transfer the domicile of OneBeacon America and The Employers' Fire Insurance Company from Massachusetts to Pennsylvania. (A separate request to transfer the domicile of The Employer's Fire Insurance Company is being filed simultaneously with the Massachusetts Division of Insurance and the Pennsylvania Insurance Department.)

On January 31, 2013, the Board of Directors of OneBeacon America passed a resolution authorizing the redomestication from Massachusetts to Pennsylvania. On February 1, 2013, the sole shareholder of OneBeacon America authorized the redomestication from the Massachusetts to Pennsylvania. Copies of the Secretary's Certificates attesting to such actions are attached as Exhibits B and C, respectively.

OneBeacon America applied for a Certificate of Authority with the Pennsylvania Secretary of State on March 25, 2013. A copy of the application is attached as Exhibit D.

On April 2, 2013, OneBeacon America filed an application with the Massachusetts Division of Insurance seeking approval to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. A copy of the transmittal letter is attached as Exhibit E.

Copies of the following are also attached in support of this application:

- Exhibit F – UCAA Application Form including Primary Application Checklist, executed UCAA Primary Application and Form 3 (Lines of Insurance)
- Exhibit G – Filing Fee of \$2500.00 (Item 2)
- Exhibit H – Minimum Capital and Surplus Requirements (Item 3)
- Exhibit I – Certificate of Deposit (Item 4)
- Exhibit J – Name approval by Pennsylvania Insurance Department (Item 5)
- Exhibit K – Form B Holding Company Statement for year-end 2012 (Item 7)
- Exhibit L – Debt-to-Equity Ratio Statement (Item 10)
- Exhibit M – Public Records Package including Articles of Incorporation, Certified Bylaws, Annual Statutory Statement as of 12/31/2012; Quarterly Statements for all of 2012; 2011 Audit Report for OneBeacon Insurance Group¹ (Item 12)
- Exhibit N - Annual Statement with Attachments (Item 15) *see Exhibit L*
- Exhibit O- Quarterly Statements (Item 16) *see Exhibit L*
- Exhibit P- Risk-Based Capital Report (Item 17)
- Exhibit Q - CPA Audit Report (Item 18) *see Exhibit L*

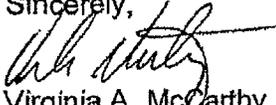
¹ The year-end 2012 Audit Report will not be available until June 1, 2013

- Exhibit R - Reports of Examination (for the period 2002-2006; the examination for 2007-2011 is still underway) (Item 19)
- Exhibit S - Certificate of Compliance (Item 20)
- Exhibit T - Articles of Redomestication [DRAFT]

Based on the foregoing, we respectfully request that the Commissioner (i) approve OneBeacon America's request to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania and (ii) the issuance of a Certificate of Authority to OneBeacon America as a domestic stock casualty insurance corporation.

Should you require additional information or have any questions regarding the proposed transaction, please contact me directly at 781-332-7191 or vmccarthy@onebeacon.com.

Sincerely,



Virginia A. McCarthy

Enclosures

EXHIBIT 2



150 Royall Street
MD C2-35
Canton, MA 02021
onebeacon.com

RECEIVED
Corporate & Financial Regulation

APR - 4 2013

Pennsylvania
Insurance Department

Virginia A. McCarthy
Associate General Counsel

VIA OVERNIGHT MAIL

April 2, 2013

Robert E. Brackbill
Chief, Company Licensing Division
Pennsylvania Insurance Department
Bureau of Company Licensing and Financial Analysis
1345 Strawberry Square
Harrisburg, PA 17120

**Re: Redomestication of The Employers' Fire Insurance Company
(NAIC# 20648)**

Dear Mr. Brackbill:

I am writing on behalf of the OneBeacon Insurance Group LLC ("OneBeacon Group") seeking approval of the proposed transfer of domicile of The Employer's Fire Insurance Company ("Employers' Fire"), a property and casualty insurance company incorporated under the laws of the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. Approval is sought pursuant to Pennsylvania's Business Corporation Law and Insurance Company Law.

Employers' Fire holds a Certificate of Authority in the Commonwealth of Pennsylvania as a foreign insurer. Attached as Exhibit A is a copy of Employers' Fire current Certificate of Authority in Pennsylvania for the period April 1, 2013-March 31, 2014. Employers' Fire has been issuing property and casualty insurance in Pennsylvania since 1973. It is a wholly owned subsidiary of OneBeacon Insurance Company.

The proposed redomestication is part of a multi-step process involving the restructure of the companies within the OneBeacon Group, including the proposed sale of OneBeacon Insurance Company and Potomac Insurance Company to a subsidiary of Armour Group Holdings Limited. As a pre-closing

condition to the sale, OneBeacon Group has agreed, among other things, to transfer the domicile of Employers' Fire and OneBeacon America Insurance Company from Massachusetts to Pennsylvania. (A separate request to transfer the domicile of OneBeacon America Insurance Company is being filed simultaneously with the Massachusetts Division of Insurance and the Pennsylvania Insurance Department.)

On January 31, 2013, the Board of Directors of Employers' Fire passed a resolution authorizing the redomestication from Massachusetts to Pennsylvania. On February 1, 2013, the sole shareholder of Employers' Fire authorized the redomestication from the Massachusetts to Pennsylvania. Copies of the Secretary's Certificates attesting to such actions are attached as Exhibits B and C, respectively.

Employers' Fire applied for a Certificate of Authority with the Pennsylvania Secretary of State on March 25, 2013. A copy of the application is attached as Exhibit D.

On April 2, 2013, Employers' Fire filed an application with the Massachusetts Division of Insurance seeking approval to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania. A copy of the transmittal letter is attached as Exhibit E.

Copies of the following are also attached in support of this application:

- Exhibit F – UCAA Application Form including Primary Application Checklist, executed UCAA Primary Application and Form 3 (Lines of Insurance)
- Exhibit G – Filing Fee of \$2500.00 (Item 2)
- Exhibit H – Minimum Capital and Surplus Requirements (Item 3)
- Exhibit I – Certificate of Deposit (Item 4)
- Exhibit J – Name approval by Pennsylvania Insurance Department (Item 5)
- Exhibit K – Form B Holding Company Statement for year-end 2012 (Item 7)
- Exhibit L – Debt-to-Equity Ratio Statement (Item 10)
- Exhibit M – Public Records Package including Articles of Incorporation, Certified Bylaws, Annual Statutory Statement as of 12/31/2012; Quarterly Statements for all of 2012; 2011 Audit Report for OneBeacon Insurance Group¹ (Item 12)
- Exhibit N - Annual Statement with Attachments (Item 15) *see Exhibit L*
- Exhibit O- Quarterly Statements (Item 16) *see Exhibit L*
- Exhibit P- Risk-Based Capital Report (Item 17)
- Exhibit Q - CPA Audit Report (Item 18) *see Exhibit L*
- Exhibit R - Reports of Examination (for the period 2002-2006; the examination for 2007-2011 is still underway) (Item 19)

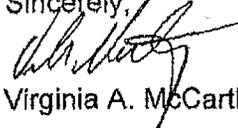
¹ The year-end 2012 Audit Report will not be available until June 1, 2013

Exhibit S - Certificate of Compliance (Item 20)
Exhibit T - Articles of Redomestication [DRAFT]

Based on the foregoing, we respectfully request that the Commissioner (i) approve Employers' Fire's request to redomesticate from the Commonwealth of Massachusetts to the Commonwealth of Pennsylvania and (ii) the issuance of a Certificate of Authority to Employers' Fire as a domestic stock casualty insurance corporation.

Should you require additional information or have any questions regarding the proposed transaction, please contact me directly at 781-332-7191 or vmccarthy@onebeacon.com.

Sincerely,



Virginia A. McCarthy

Enclosures

EXHIBIT 3

FORM A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR
MERGER WITH A DOMESTIC INSURER**

ONEBEACON INSURANCE COMPANY (PA)

POTOMAC INSURANCE COMPANY (PA)

(Name of Domestic Insurer(s))

by

**ARMOUR GROUP HOLDINGS LIMITED,
through its subsidiary, Trebuchet US Holdings, Inc.**
(Name of Acquiring Person (Applicant))

Filed with the Insurance Department of the Commonwealth of Pennsylvania

Dated: February 7, 2013

Name, title, address and telephone number of individuals to whom notices and correspondence concerning this form should be addressed:

Stuart Wrenn
Armour Risk Management, Inc.
1880 JFK Blvd., Suite 801
Philadelphia, PA 19103
(w) 215.665.5000 x322
swrenn@armourre.bm

Maureen A. Phillips
Senior Vice President & General Counsel
OneBeacon Insurance Group LLC
601 Carlson Parkway
Minnetonka, MN 55305
(w) 952.852.6731
MPhillips@OneBeacon.com

with copies to:

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Cozen O'Connor
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Philadelphia, PA 19103-3508
(w) (215) 665-2784
(f) (215) 701-2102
jpotts@cozen.com

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cfoster@saul.com

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Stradley Ronon Stevens & Young, LLP
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(f) (215) 564-8120
sdavis@stradley.com

INTRODUCTION

This Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the "Statement") seeks the prior approval of the Insurance Commissioner of the Commonwealth of Pennsylvania pursuant to 40 P.S. §1402(a)(1) for the acquisition of control of OneBeacon Insurance Company ("OBIC") and Potomac Insurance Company ("Potomac"), each a Pennsylvania domiciled insurance company (collectively, the "Acquired Companies"). The Acquired Companies are wholly-owned subsidiaries of OneBeacon Insurance Group LLC ("OneBeacon Group") which is controlled by White Mountains Insurance Group, Ltd.

The direct acquiring party of the Acquired Companies will be Trebuchet US Holdings, Inc., a Delaware corporation ("Trebuchet"), a wholly owned subsidiary of Trebuchet Investments Limited, a Bermuda company ("Trebuchet Investments"), which in turn is a wholly owned subsidiary of Armour Group Holdings Limited, a Bermuda company ("Armour Group"). Armour Group is controlled by voting share ownership by Brad Huntington ("Huntington") and John Williams ("Williams"), each individuals. Collectively, Trebuchet, Trebuchet Investments, Armour Group, Huntington and Williams are referred to herein as the "Applicant."

As set forth in this Statement, the proposed change of control of the Acquired Companies is part of a restructuring undertaken by OneBeacon Group (the "Restructuring") to separate its ongoing specialty insurance business from certain risks currently in run-off ("Run-Off Risks"). Under the Restructuring, such Run-Off Risks will be consolidated into the Acquired Companies for purposes of facilitating an orderly and structured run-off by the Applicant.

Item 1. Insurer and Method of Acquisition

State the name, NAIC code number and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

A. Domestic Insurers

| <u>Name and Address</u> | <u>Domicile</u> | <u>NAIC Code Number</u> |
|--|-----------------|-------------------------|
| OneBeacon Insurance Company (" <u>OBIC</u> ") 150 Royall Street Canton, MA 02021-1030 | PA | 21970 |
| Potomac Insurance Company (" <u>Potomac</u> ") 150 Royall Street Canton, MA 02021-1030 | PA | 10238 |

OneBeacon America Insurance Company and The Employers' Fire Insurance Company, each wholly owned subsidiaries of OBIC, are currently Massachusetts domiciled insurance companies (the "OBIC Subsidiaries"). Prior to, and as a condition of closing of, the Applicant's acquisition of control of the Acquired Companies, Seller (as defined below) is obligated to cause the OBIC Subsidiaries to be redomesticated from Massachusetts to Pennsylvania, subject to regulatory approval. Following the redomestication of the OBIC Subsidiaries to Pennsylvania, the Applicant intends to file an amendment to this Statement to incorporate the OBIC Subsidiaries as

additional acquired companies for purposes of this Statement and to pay the required additional filing fees.

B. Method of Acquisition

The Applicant proposes to acquire control of the Acquired Companies (the "Acquisition") by Trebuchet's purchase of all of the issued and outstanding shares of capital stock of the Acquired Companies (the "Shares") pursuant to the Stock Purchase Agreement ("SPA") dated October 17, 2012 by and among OneBeacon Insurance Group LLC ("Seller") and Seller's parent, OneBeacon Insurance Group, Ltd. ("Seller Parent"), and Trebuchet and Armour Group, a copy of which is included as Exhibit SPA.

The obligations to consummate the transactions contemplated by the SPA are subject to a number of customary closing conditions including, but not limited to, prior approval of the change of control of the Acquired Companies by the Pennsylvania Insurance Department. In addition, the SPA provides for the entry at the closing of the Acquisition (the "Closing") of a number of ancillary agreements (collectively, the "Ancillary Agreements") involving, directly or indirectly, the Acquired Companies as set forth below. Further, there are certain transactions (collectively, the "Ancillary Transactions") that are being undertaken by OneBeacon Group pursuant to the Restructuring that will occur prior to Closing that have not yet been effected as set forth in Exhibit RESTRUCTURE.

The Acquisition is scheduled to close on or before the 7th business day following the satisfaction or waiver of the conditions to closing set forth in the SPA (the "Closing Date").

Item 2. Identity and Background of the Applicant

| A. | <u>Name and Business Address of Applicant</u> | <u>Domicile</u> |
|----|--|-----------------|
| | Trebuchet US Holdings, Inc. Corporation Trust Center 1209 Orange Street Wilmington Delaware 19801 | Delaware |
| | Trebuchet Investments Limited Chevron House, Group Floor 11 Church Street Hamilton HM 11 Bermuda P.O. Box HM 66, Hamilton HM AX | Bermuda |
| | Armour Group Holdings Limited Chevron House, Group Floor 11 Church Street Hamilton HM 11 Bermuda | Bermuda |

P.O. Box HM 66, Hamilton HM AX

Brad Huntington
Chevron House, Group Floor
11 Church Street
Hamilton HM 11
Bermuda
P.O. Box HM 66, Hamilton HM AX

John Williams
4th Floor
20 Old Broad Street
London
EC2N 1DP
United Kingdom.

B. Nature of Applicant's Business

Trebuchet is a Delaware corporation formed in 2012 for purposes of acquiring the Acquired Companies. Trebuchet is a wholly-owned subsidiary of Trebuchet Investments, which in turn is a wholly-owned subsidiary of Armour Group, an exempt limited liability company organized in 2007 under the laws of Bermuda. Armour Group is a holding company. The nature of Armour Group's and its subsidiaries' business operations for the past five (5) years and their future intended business is providing specialized services to the insurance and reinsurance industry, acquiring insurance portfolios via reinsurance and other structures and providing management services in connection with investments. Armour Group's voting securities are owned 54.6% by Brad Huntington, 36.4% by John Williams and 9% by other members of Armour Group's management. Messrs. Huntington and Williams are both individuals, who are the ultimate controlling persons of Armour Group and Trebuchet. Messrs. Huntington and Williams are both insurance executives.

C. Organizational Chart.

A current organizational chart depicting the Applicant and its affiliates is included as Exhibit ORG-1. The organizational chart indicates the percentage of voting securities of each such person that is owned or controlled by Applicant or by any other person, as well as the state or other jurisdiction of domicile and type of organization. Unless otherwise indicated, control of all such persons is maintained by the ownership or control of voting securities. No court proceedings involving a reorganization or liquidation are pending with respect to any such person.

An organizational chart depicting the Applicant and its affiliates after acquiring control of the Acquired Companies is included as Exhibit ORG-2.

Item 3. Identity and Background of Individuals Associated with the Applicant

Biographical affidavits for the directors, executive officers and owners of 10% or more of the voting securities of Armour Group are being submitted with this Statement as Exhibit B10. A list of the name and business address of each such person is included as Exhibit D&O. The biographical affidavits contain all information required for Item 3 of this Statement.

The following is a brief description of each such individual.

Brad Huntington
Chairman, CEO and Director

Mr. Huntington is currently Chairman, CEO and a director of Armour Group which was formed in 2007 as a vehicle for identifying, structuring and transacting value opportunities within the insurance and reinsurance sectors. Armour Holdings and its affiliates provide specialized services to the insurance and reinsurance industry; acquire insurance portfolios via reinsurance and other structures; and provide management services in connection with investments. From October 2000 until May 2005, Mr. Huntington was President, CEO and a director of The Imagine Group, an international insurance and reinsurance operation he founded in 2000. During Mr. Huntington's tenure at The Imagine Group, the company's assets grew from an initial position of US\$200 million of start-up capital to approximately US\$1.9 billion. Mr. Huntington has substantial experience in the oversight of underwriting and asset management operations, M&A and the integration of new operations following their acquisition. Prior to his founding The Imagine Group, Mr. Huntington was a senior executive at Centre Reinsurance Group Limited, a major operating subsidiary of the Zurich Insurance Group, where his experience included the start-up and oversight of the subsidiary's underwriting operations in continental Europe. Mr. Huntington has an M.B.A. from INSEAD in France and B.A. and LL.B. degrees from the University of Alberta in Canada. He has also qualified (but is currently inactive) as a lawyer in each of Canada, Bermuda, England and Wales.

John Williams
President and Director

Mr. Williams is currently President and a director of Armour Group. Immediately prior to commencing his current employment, Mr. Williams was employed at The Imagine Group, an international insurance and reinsurance operation, where he had responsibility for sourcing and structuring complex insurance transactions. Mr. Williams has worked in the insurance and reinsurance industry for over 25 years. He has served as a director of various Bermuda insurance companies and was a founder, a director and President of Castlewood Limited, a leading provider of run-off products for the insurance industry. In 1981 he joined a start-up underwriting manager in Bermuda, and became the underwriter of a leading reinsurer and the Chief Operating Officer of the underwriting manager. Mr. Williams served as the Chairman of the Bermuda Independent Underwriters Association and for a number of years was a member of the Insurance Admissions committee which is appointed by the Bermuda Minister of Finance,

Steve Ryland
Senior Vice President

Mr. Ryland is an Insurance Executive with over 25 years of insurance / reinsurance experience. He currently serves as a Senior Vice President of Armour Group and Director of Armour Risk Management Limited. Mr. Ryland is responsible for global business development and the group's Global service company, Armour Risk. He has developed a proven track record of global business origination, strategic drive, team management and service delivery on behalf of many international insurance and reinsurance companies. He has successfully introduced run-off strategies for numerous discontinued clients, including many international clients. Aggregate portfolio liabilities managed in excess of \$5 Billion. Prior to joining Armour Group, Mr. Ryland was an Executive Director with PRO Insurance Solutions Limited - Swiss Re's former service entity, responsible for global business development, formation of its US operations, a member of the strategy executive committee and a member of the management board. Mr. Ryland is a regular speaker at industry conferences. Mr. Ryland is an Associate of the Chartered Insurance Institute (ACII)/Chartered Insurer.

Stuart Wrenn
Senior Vice President

Mr. Wrenn is an actuary with a broad insurance industry experience. He currently serves as a Senior Vice President of Armour Group, Director of Armour Risk Management Limited, Senior Vice President of Armour Management Inc. and Senior Vice President and Chief Actuary of Excalibur Reinsurance Corporation and is responsible for technical aspects of structuring, pricing and reserving as well as managing the group's actuarial resources. Prior to joining Armour Group, Mr. Wrenn worked for The Imagine Group, an international insurance and reinsurance operation, as a Pricing Actuary from September 2003 until October 2007 primarily covering structuring and pricing reinsurance transactions and acquisitions. Previously, Mr. Wrenn had worked as an Actuary for XL Winterthur International from September 2000 until January 2003, responsible for actuarial pricing of property and casualty insurance business lines and managing the team in London. He was part of the Winterthur team facilitating the acquisition by XL. Mr. Wrenn spent his early career at a number of London market and global insurance companies concentrating on the introduction of actuarial principles to underwriting teams. He has written papers in this field presented at GIRO (General Insurance Research Organising). Mr. Wrenn is a Fellow of the Institute of Actuaries, a Fellow of the Casualty Actuarial Society and holds a BSc (Hons) in Mathematics from University of Bristol (1987).

Katherine Barker
Vice President

Ms. Barker currently serves as a Vice President of Armour Holdings and President of Armour Risk Management Inc., with responsibility for run-off of Excalibur Reinsurance Corporation and assisting in business development in the U.S. Ms. Barker has expertise in delivering closure strategies, including accelerated closures via commutation, development of collection strategies to resolve disputes and accelerate retrocession recoveries, including management of all scheme and liquidation reinsurance recoveries. Ms Barker was formerly President of PRO IS, Inc. - Swiss Re's former service entity. While at The Hartford for over twenty years, Ms. Barker was responsible for worldwide commutations, management of

reinsurance audits, and reinsurance collections. Ms. Barker serves as a Co-Vice chair on the Board of Directors of AIRROC and co-chair of the Education Committee and holds a B.S. from University of Massachusetts-Amherst and M.B.A. from Babson College.

Pauline Richards
Chief Operating Officer

Ms. Richards serves as Chief Operating Officer of the Armour Group. She reports to the Chairman and President of Armour Group and is responsible for the financial reporting of the group and fulfilling the operational mandates of the Bermuda Companies. Prior to joining the Armour Group, Ms. Richards served as Chief Financial Officer of both Lombard Odier Darier Hentsch in Bermuda and Aon Bermuda. She also held the position of Director of Development at Saltus Grammar School. Ms. Richards is currently a Director of Butterfield Bank, Wyndham Worldwide and Apollo LLP. Ms. Richards is a Certified Management Accountant and has a BA from Queens University, Canada.

Roger Gillett
Director

Mr. Gillett retired from the ACE Group of Insurance Companies in July of 2007. He joined ACE in November 1997 as Senior Vice President in the Business Development department bringing with him over 30 years of experience in the insurance industry. Prior to retirement, Mr. Gillett was President of ACE Risk Management International, assisting major non-U.S. corporations with their risk financing needs, including captive fronting, rent-a-captive and other sophisticated techniques. He was promoted to the position in August 2003.

Prior to joining ACE, Mr. Gillett spent 20 years with Johnson & Higgins, most recently as a Senior Vice President and Principal responsible for creating and developing their global captive management operations. Before joining Johnson & Higgins in Bermuda, Mr. Gillett spent time as a broker for Leslie & Godwin in the United Kingdom and as an underwriter for the Royal Insurance Group.

Mr. Gillett is a frequent speaker at conferences and author of numerous published articles on Alternative Risk Financing. Mr. Gillett is a member of the Bermuda Insurance Advisory Committee and Chairman of the Insurance Development Council, a sub-committee of the Bermuda Insurance Advisory Committee. He is a past president of the Bermuda Insurance Institute and the Bermuda Insurance Managers Association.

Mr. Gillett is a Fellow of the Chartered Insurance Institute and an Associate in Risk Management.

Tim Price
Director

Mr. Price is the Chairman, President and CEO of MacDougall, MacDougall & MacTier Inc., Canada's oldest brokerage firm, serving investors since 1858. He has worked at MacDougall since 1984 in a variety of roles, starting with management positions in finance and

administration. From 1990 he has been a Portfolio Manager, and became a Director in 1992, serving as a member of the Executive Committee since 1993. Mr. Price assumed the position of President and Chief Executive Officer in June 2002. Prior to joining MacDougall, Mr. Price was at Coopers & Lybrand in Toronto (1980-82) and Bermuda (1982-84), and at Rowe & Pitman in London (1979-80). He has served as a Director of Armour Group Holdings Limited since its formation in 2007. He is a Chartered Accountant (1983) and Chartered Financial Analyst (1992). He graduated from Queen's University (Kingston, Ont.) with a Bachelor of Commerce (Honors) degree in 1979. He has served as Chair of the Investment Industry Association of Canada, the national organization representing the Canadian Securities Industry.

Item 4. Nature, Source and Amount of Consideration

A. Nature, Source and Amount of Funds.

Pursuant to the SPA, the purchase price payable by the Applicant at Closing for the shares of capital stock of the Acquired Companies (the "Purchased Shares") shall be equal to (i) \$61,000,000; (ii) plus accrued accretion thereon at the rate of 5% from December 31, 2011 to the Closing Date; (iii) plus or minus the difference between the Estimated Target Statutory Capital at December 31, 2011 and the Pro Forma Target Statutory Capital as of the Closing Date (as defined in the SPA); (iv) minus \$18,500,000, all as more fully described in the SPA. In the event that the purchase price as defined above is a negative number, the Seller is required to contribute funds to OBIC in an amount equal to the absolute value of the negative purchase price as required by Section 5.18 of the SPA (the "Pre-Closing Seller Contribution"). The purchase price is also subject to certain post-Closing adjustments as described in the SPA. The purchase price is payable in cash.

Pursuant to the SPA, and as more fully described therein, if the Pennsylvania Insurance Department requires that, on or before the Closing, additional capital be contributed to OBIC in amounts in excess of that contemplated by the Estimated Closing Date Balance Sheet (as defined in the SPA), then Seller is required to contribute certain additional amounts to OBIC in return for the issuance of one or more surplus notes by OBIC to Seller.

B. Criteria Used in Determining the Nature and Amount of the Consideration.

The nature and amount of consideration to be paid for the Purchased Shares was determined by arm's-length negotiations between unrelated parties assisted by independent advisors.

C. Source of Consideration – Disclosure of Loan or Borrowed Funds

Not applicable; the funds to be used to acquire the Purchased Shares are from the Applicant's own funds. None of the consideration to be paid for the Purchased Shares will be borrowed.

Item 5. Future Plans of Insurer

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend to liquidate the insurer, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

A. Plans or Proposals.

Except as described in this Statement and the exhibits incorporated herein, the Applicant has no present plans or proposals to cause any of the Acquired Companies to declare an extraordinary dividend, to liquidate, to sell its assets to or to merge with any person or persons or to make any other material change in its business operations or corporate structure or management.

As set forth in the SPA, the following agreements will be entered into as conditions to and effective at the Closing of the Acquisition:

- Amended and Restated 100% Quota Share Reinsurance Agreement between Atlantic Specialty Insurance Company or its successor ("ASIC") and OBIC (the "Retained Business Reinsurance Agreement").
- Amended and Restated 100% Quota Share Reinsurance Agreement between ASIC and OBIC (the "Runoff Business Reinsurance Agreement").
- Retained Business Administrative Services Agreement by and between OBIC and ASIC.
- Runoff Business Administrative Services Agreement by and between OBIC and ASIC.
- Transition Services Agreement by and between OneBeacon Group and Trebuchet.

The following transactions are contemplated pursuant to the above-listed agreements post-closing:

- ASIC will provide certain administrative services to the Acquired Companies pursuant to the Retained Business Administrative Services Agreement for insurance and reinsurance contracts written or entered into by OBIC or any of its Affiliates (as defined in that agreement and only with respect to persons who were Affiliates prior to the effective date of that agreement) excluding the Runoff Business (as defined in the Runoff Business Reinsurance Agreement).
- OBIC will provide certain administrative services to ASIC pursuant to the Runoff Business Administrative Services Agreement for the Runoff Business (as defined in the Runoff Business Reinsurance Agreement).
- The Acquired Companies, directly or through the OBIC Subsidiaries, will write certain specialty property and casualty business on behalf of the OneBeacon Group (the "Fronted Business") for a period equal to the lesser of one year following the

Closing or, in any given jurisdiction, until a member of the OneBeacon Group obtains all authorizations, producer appointments and form and rate filings or approvals required to write such business, or such longer period as may be required for the Acquired Companies to obtain any required approval to withdraw from writing or renewing such business, with such Fronted Business being 100% reinsured pursuant to the Retained Business Reinsurance Agreement and administered by a member of the OneBeacon Group pursuant to the Retained Business Administrative Services Agreement.

- Under the Transition Services Agreement, OneBeacon Group shall provide or cause to be provided certain IT, claims, reinsurance, actuarial, statutory compliance, financial reporting, tax compliance, records retention, migration and other transition services and use and access to certain systems and equipment to the Acquired Companies and the OBIC Subsidiaries with respect to the Runoff Business for a period up to eighteen (18) months after the Closing.
- Finally, Trebuchet or an affiliate of Trebuchet will enter into an intercompany services agreement with the Acquired Companies to provide certain management and other services.

As set forth in more detail in the Business Plan, attached hereto as Exhibit PLAN, Applicant expects to provide certain corporate functions supporting the Acquired Companies from its existing offices in Philadelphia. These will be provided by existing staff of Buyer supported by a number of new hires to cover functions for which existing Seller staff are not available to transfer with the Acquired Companies.

Further, upon Closing of the Acquisition, Applicant expects to replace officers and directors of the Acquired Companies. The Applicant is in the process of identifying individuals to serve as officers and directors of the Acquired Companies and will notify the Pennsylvania Insurance Department of their selection prior to the Closing and provide all required documentation.

The Applicant is aware of and understands the requirements under applicable Pennsylvania insurance laws (40 P.S. § 991.1405(c) (3) & (4)) regarding the inclusion on the boards of directors and committees thereof of certain "independent" directors, the inclusion of "independent" directors to satisfy quorum requirements and the establishment of one or more committees of the board of directors to be comprised solely of independent directors, unless such requirements are met by an insurer or other specified entity that controls a Pennsylvania domestic insurer. From and after the Applicant's acquisition of control of the Acquired Companies, the Applicant will take all corporate actions that may be necessary to cause the Acquired Companies to comply with these requirements.

Finally, should the Applicant make any plans or proposals to cause any of the Acquired Companies to declare an extraordinary dividend, to liquidate, to sell its assets to or to merge with any person or persons or to make any other material change in its business operations or corporate structure or management other than as set forth herein or in any exhibit attached hereto, such plans will comply with all applicable insurance laws and regulations, including,

without limitation, any laws or regulations requiring prior notice to or approval from applicable insurance regulatory authorities.

Item 6. Voting Securities to be Acquired

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

The Purchased Shares that the Applicant plans to acquire are comprised of all of the 400,000 issued and outstanding shares and 159,307 treasury shares of common stock of OBIC and all of the 1,000,000 issued and outstanding shares of common stock of Potomac. The Purchased Shares are currently owned by Seller. None of the Acquired Companies has any other shares of capital stock outstanding. None of the Applicant's affiliates, and none of the persons listed in Item 3, plan to acquire any shares of the Acquired Companies' capital stock.

The nature and amount of the consideration involved in the purchase of the Purchased Shares were determined through arm's length negotiations between unrelated persons. The terms of the Acquisition are set forth in the SPA described in Item 1 above. Pursuant to the SPA, the Applicant has agreed to acquire all of the Purchased Shares on the Closing Date for the purchase price described in Item 4(a) above, payment of which will be made from the funds described in Item 4(c) above. The fairness of the terms of the transaction was determined based on the arm's length nature of the parties' negotiations.

Item 7. Ownership of Voting Securities

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

None.

Item 8. Contracts, Arrangements, or Understandings with Respect to Voting Securities of the Insurer

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the person with whom such contracts, arrangements or understandings have been entered into.

None other than the SPA which is described in Item 1 above.

Item 9. Recent Purchases of Voting Securities

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this statement. Include in the description the dates of purchase, the name of the purchasers, and the consideration paid or agreed to be paid therefor.

None.

Item 10. Recent Recommendations to Purchase

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this statement

None.

Item 11. Agreements with Broker-Dealers

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

None.

Item 12. Financial Statements and Exhibits

- A. Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.*
- B. The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding five (5) fiscal years (or for such lesser period as the applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of the person's last fiscal year, if that information is available. Statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.*

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of that person filed with the insurance department of the person's domiciliary state and are in

accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of that state.

- C. *If the acquiring person is an individual, the Department may require the filing of Federal income tax returns in lieu of audited financial statements. Any returns filed shall be given confidential treatment and shall not be subject to subpoena and shall not be made public by the Department or any other person.*
- D. *File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required by this chapter.*

Personal financial statements for the ultimate controlling persons, Brad Huntington and John Williams, are presently on file with the Department. The Applicant requests confidential treatment of those financial statements.

The following is a list of the financial statements and exhibits filed with this statement or under separate cover as set forth below:

- | | |
|---------------------|--|
| Exhibit SPA | Stock Purchase Agreement dated October 17, 2012 by and among Trebuchet, Armour Group, Seller and Seller Parent. |
| Exhibit SPA-A1 | Amendment No. 1 to Stock Purchase Agreement. |
| Exhibit SCH | Schedules to the SPA. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit EXS | Exhibits to the SPA. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit RESTRUCTURE | OneBeacon Group Restructuring. |
| Exhibit ORG-1 | Current organizational chart of the Applicant. |
| Exhibit ORG-2 | Pro forma organizational chart of the Applicant following the Acquisition. |
| Exhibit BIO | NAIC Biographical Affidavits of the Directors and Executive Officers of Armour Group. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |

| | |
|----------------|--|
| Exhibit D&O | Current directors and officers of the Applicant. |
| Exhibit PLAN | Business Plan for Acquired Companies. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit A-2007 | Unaudited financial statement of Armour Group for 2007. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit A-2008 | Unaudited financial statement of Armour Group for 2008. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit A-2009 | Unaudited financial statement of Armour Group for 2009. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit A-2010 | Unaudited financial statement of Armour Group for 2010. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit A-2011 | Unaudited financial statement of Armour Group for 2011. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |
| Exhibit E | Form E, Pre-Acquisition Notification Statement of the Potential Competitive Impact of a Proposed Merger or Acquisition. <i>The Applicant is requesting confidential treatment with respect to this information and will be filing it under separate cover.</i> |

Item 13. Agreement to Enterprise Risk Requirements

(a) The Applicant agrees to provide the annual enterprise risk report specified in 40 P.S. § 991.1404(k.1) as long as control exists.

(b) The Applicant acknowledges that it and all subsidiaries within its control in the Applicant's insurance holding company system will provide information to the Pennsylvania Commissioner of Insurance upon request as necessary to evaluate enterprise risk to the Acquired PA Companies.

Item 14. Signature and Certification:

SIGNATURE

Pursuant to the requirements of Section 1402 of the act, Armour Group Holdings Limited has caused this application to be duly signed on its behalf in the City of HAMILTON in the Country of Bermuda on the 7th day of February, 2013.

ARMOUR GROUP HOLDINGS LIMITED

BY *Pauline Richards*
Pauline Richards

Attest: *Nathaniel A. Turner*

NATHANIEL A. TURNER
Commissioner of Oaths & Notary Public
Attridge-Stirling & Woloniecki
Hamilton, Bermuda

CERTIFICATION

The undersigned deposes and says that she has duly executed the attached application dated February 7, 2013 for and on behalf of **Armour Group Holdings Limited**; that she is the Chief Operating Officer of such company and that she is authorized to execute and file such instrument. Deponent further says that she is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of her knowledge, information and belief.

Pauline Richards
Pauline Richards

