

FORM A

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

of

Capitol Indemnity Corporation

Capitol Specialty Insurance Corporation

Name of Domestic Insurers

by

Alleghany Corporation

and

Alleghany Insurance Holdings LLC

Names of Acquiring Persons (Applicants)

Filed with the Office of the Commissioner of Insurance,
State of Wisconsin

Dated: August 7, 2019

**Name, title, address and telephone number of individual to whom notices and
correspondence concerning this Statement should be addressed:**

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INTRODUCTION AND BACKGROUND

This Form A Statement Regarding the Acquisition of Control of or Merger with a domestic insurer (this "Application") is submitted by the following entities in connection with proposed internal restructuring transactions, as a result of which these entities will maintain their status as controlling persons of Capitol Indemnity Corporation, a Wisconsin domestic insurer ("Capitol Indemnity"), and Capitol Specialty Insurance Corporation, a Wisconsin domestic insurer ("Capitol Specialty", and together with Capitol Indemnity, the "Domestic Insurers"):

- Alleghany Corporation, a Delaware corporation ("Alleghany"); and
- Alleghany Insurance Holdings LLC, a Delaware limited liability company ("Alleghany Holdings").

Alleghany and Alleghany Holdings are together referred to as the "Applicants".

Capitol Indemnity is currently directly owned by CapSpecialty, Inc., a Wisconsin corporation and an affiliate of the Applicants and the Domestic Insurers ("CapSpecialty Holding Company"). Alleghany Holdings owns approximately 75% of CapSpecialty Holding Company and Transatlantic Reinsurance Company, a New York domestic insurer and an affiliate of the Applicants ("TransRe"), owns approximately 25%. Capitol Specialty is directly owned by Capitol Indemnity. Alleghany is the ultimate parent of each of the Domestic Insurers, CapSpecialty Holding Company, Alleghany Holdings and TransRe. Each Applicant is an approved controller with respect to each Domestic Insurer.

On July 18, 2019, TransRe submitted a notification letter to the Wisconsin Office of the Commissioner of Insurance ("OCI") pursuant to Wis. Admin. Code § 40.02(1)(c) (the "Divestiture Notice"). As described in the Divestiture Notice, TransRe currently owns approximately 25% of the shares of CapSpecialty Holding Company (referred to as the "CapSpecialty Holding Company Shares"). TransRe intends to divest its controlling interest in the Domestic Insurers through the distribution of the CapSpecialty Holding Company Shares by dividend to its parent, Transatlantic Holdings, Inc. ("Transatlantic"). Transatlantic will then transfer the CapSpecialty Holding Company Shares to Alleghany by dividend and Alleghany will then contribute the CapSpecialty Holding Company Shares to Alleghany Holdings, which already owns approximately 75% of the CapSpecialty Holding Company Shares. These transactions are collectively referred to herein as the "Proposed Restructuring."

Upon the completion of the Proposed Restructuring, CapSpecialty Holding Company will be a direct subsidiary of Alleghany Holdings, and CapSpecialty Holding Company will remain the direct parent of Capitol Indemnity and the indirect parent of Capitol Specialty. In addition, Alleghany will remain the ultimate parent of each of the Domestic Insurers, Alleghany Holdings, CapSpecialty Holding Company, Transatlantic and TransRe.

Following its review of the Divestiture Notice, the OCI advised representatives of Alleghany to submit this Application in connection with the Proposed Restructuring. The Applicants have filed this Application to maintain their status as controlling persons of the Domestic Insurers.

The Applicants respectfully request the approval of the Commissioner of Insurance of the State of Wisconsin (the "Commissioner") under Wis. Stat. § 611.72(2) in order for the Applicants to effectuate the Proposed Restructuring as described herein.

ITEM 1. INSURER AND METHOD OF ACQUISITION

(a) Domestic Insurers

The name, address, NAIC Company Code and Employer's ID Number of each Domestic Insurer to which this Application relates are:

Capitol Indemnity Corporation
1600 Aspen Commons
Middleton, WI 53562
NAIC Company Code: 10472
Employer's ID Number: 39-0971527

Capitol Specialty Insurance Corporation
1600 Aspen Commons
Middleton, WI 53562
NAIC Company Code: 10328
Employer's ID Number: 39-0988659

(b) Method of Acquisition

The Applicants intend to implement the Proposed Restructuring through the steps described above in the Introduction and Background.

ITEM 2. IDENTITY AND BACKGROUND OF EACH OF THE APPLICANTS

(a) The name and address of each of the Applicants seeking to maintain their status as controlling persons of the Domestic Insurers are:

Alleghany Corporation
1411 Broadway
34th Floor
New York, NY 10018

Alleghany Insurance Holdings LLC
1411 Broadway
34th Floor
New York, NY 10018

(b) Alleghany is a publicly traded Delaware corporation that owns and manages certain operating subsidiaries and investments, anchored by a core position in property and casualty reinsurance and insurance. As of December 31, 2018, Alleghany had total assets of \$25.3 billion and total stockholders' equity attributable to Alleghany stockholders of \$7.7 billion.

Alleghany is engaged in the property and casualty reinsurance business through its wholly owned subsidiary TransRe. Alleghany Holdings and CapSpecialty Holding Company are wholly owned insurance holding company subsidiaries. Alleghany is engaged in the property and casualty insurance business through Alleghany Holdings. Alleghany Holdings' insurance operations are principally conducted by CapSpecialty Holding Company and its subsidiaries, which include the Domestic Insurers and Platte River Insurance Company, a Nebraska domiciled insurer, and RSUI Group, Inc. and its subsidiaries. Alleghany's primary sources of revenues and earnings are its reinsurance and insurance operations and investments, although it also sources, executes, manages and monitors certain private capital investments primarily through its wholly owned subsidiary Alleghany Capital Corporation.

For more information regarding the business operations of Alleghany and its subsidiaries, we refer to the following documents: (i) Alleghany's Form 10-K for the fiscal year ended December 31, 2018, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit A**; and (ii) Capitol Indemnity's Insurance Holding Company System Annual Registration Statement on Form B, dated May 28, 2019, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit B**.

(c) **Organizational Charts**

We refer to the Applicants' current organizational structure which is set forth on Schedule Y to Capitol Indemnity's Annual Statement for the year ended December 31, 2018, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit C**. This chart presents the identities of, and interrelationships among, the Applicants, and lists, as to each person specified in the chart, the type of organization and the state or other jurisdiction of domicile on an abbreviated basis. No court proceedings involving a reorganization or liquidation are pending with respect to any of the entities listed on this chart.

The proposed abbreviated organizational structure of the Applicants following the completion of the Proposed Restructuring is set forth on the chart attached hereto as **Exhibit D**.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS

(a)-(c) The name, address and principal occupation of each director and executive officer of Alleghany are set forth in Exhibit B to Capitol Indemnity's Insurance Holding Company System Annual Registration Statement on Form B, dated May 28, 2019, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit B**. We also refer to the information regarding the directors and executive officers of Alleghany as set forth in Alleghany's Definitive Proxy Statement, as filed with the U.S. Securities and Exchange Commission on March 15, 2019, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit E**. The name, address and principal occupation of each director and executive officer of Alleghany Holdings is set forth as **Exhibit F**. The Applicants did not provide biographical affidavits for the directors and executive officers of the Applicants as part of this Application since these individuals are already known to the OCI as the current controllers of the Domestic Insurers.

The directors and executive officers of each Domestic Insurer are set forth in the following documents: (i) the Jurat filed as part of Capitol Indemnity's Quarterly Statement for the quarter ended March 31, 2019, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit G**; and (ii) the Jurat filed as part of Capitol Specialty's Quarterly Statement for the quarter ended March 31, 2019, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit H**. The Applicants have made certain changes to the directors and executive officers of the Domestic Insurers in the ordinary course of business and in connection with the Proposed Restructuring. In particular, two individuals appointed by TransRe resigned from the boards of directors of the Domestic Insurers. In addition, John L. Sennott replaced Stephen J. Sills as the Chairman, Chief Executive Officer and President of CapSpecialty Holding Company and as the Chairman, Chief Executive Officer and President of the Domestic Insurers upon Mr. Sills' retirement. The Domestic Insurers will provide the OCI with more detailed information regarding these changes, including any required biographical affidavits, under separate cover.

(d) To the knowledge of the Applicants, no executive officer or director of either Applicant has been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the past ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) There is no consideration being paid in connection with the Proposed Restructuring. As described in the Introduction and Background above, in the initial transaction, TransRe will transfer the CapSpecialty Holding Company Shares to Transatlantic through the distribution of a stock dividend. Transatlantic will then transfer the CapSpecialty Holding Company Shares to Alleghany through the distribution of a stock dividend, at which time Alleghany will contribute the CapSpecialty Holding Company Shares to Alleghany Holdings.

(b) Not applicable.

ITEM 5. APPLICANTS' FUTURE PLANS FOR THE INSURER

Except as may arise in the ordinary course of business, the Applicants have no present plans to make any material changes in the business operations or corporate structure or management of the Domestic Insurers. In addition, the Applicants have no present plans for the Domestic Insurers to declare an extraordinary dividend, to liquidate the Domestic Insurers, to sell any of the Domestic Insurers' assets (other than asset sales in the ordinary course of business), or to merge the Domestic Insurers with any person.

The Proposed Restructuring will not substantially lessen competition in insurance in Wisconsin or tend to create a monopoly therein because the Proposed Restructuring involves an internal restructuring of Alleghany's wholly owned subsidiaries.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Upon completion of the Proposed Restructuring, substantially all of CapSpecialty Holding Company Shares will be directly owned by Alleghany Holdings, instead of Alleghany Holdings

owning approximately 75% of such shares. All of the outstanding shares of Capitol Indemnity's common stock will still be directly owned by CapSpecialty Holding Company, and all of the outstanding shares of Capitol Specialty's common stock will still be directly owned by Capitol Indemnity.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

There are no voting securities of any class of the Domestic Insurers that are held of record, beneficially owned or concerning which there is a right to acquire beneficial ownership by the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person identified in Item 3.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

There are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers in which the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person identified in Item 3 is involved, including any transfer of any 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Neither of the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person identified in Item 3 has purchased any voting securities of the Domestic Insurers during the 12 calendar months preceding the filing of this Application.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither of the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person identified in Item 3 has made any recommendations to purchase any voting security of the Domestic Insurers in connection with the Proposed Restructuring, and no such recommendations have been made by anyone based upon interviews or at the suggestion of the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person identified in Item 3, in each case during the 12 calendar months preceding the filing of this Application.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Neither of the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person identified in Item 3 has made any agreements, contracts, or understandings with any broker-dealer as to solicitation of voting securities of the Domestic Insurers.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) - (b) A copy of Alleghany's consolidated financial statements, together with the reports thereon of Ernst & Young LLP, its independent registered public accounting firm for the years ended December 31, 2018, 2017 and 2016, are an Exhibit to Alleghany's Form 10-K for the

fiscal year ended December 31, 2018, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit A**.

The Applicants did not provide financial projections for the Domestic Insurers as part of this Application because the Proposed Restructuring will not impact the Domestic Insurers' business plans.

(c) Other than as described in this Application, the Applicants are not aware of any tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, or any soliciting materials relating thereto.

Other than as described in this Application, the Applicants are not aware of any proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers.

Attached hereto are the following Exhibits:

Exhibit A: Alleghany's Form 10-K for the fiscal year ended December 31, 2018

Exhibit B: Capitol Indemnity's Insurance Holding Company System Annual Registration Statement on Form B, dated May 28, 2019

Exhibit C: Capitol Indemnity's Annual Statement for the year ended December 31, 2018

Exhibit D: Post-Restructuring Organizational Chart of the Applicants

Exhibit E: Alleghany's Definitive Proxy Statement, dated March 15, 2019

Exhibit F: List of Directors and Executive Officers of Alleghany Holdings

Exhibit G: Capitol Indemnity's Quarterly Statement for the quarter ended March 31, 2019

Exhibit H: Capitol Specialty's Quarterly Statement for the quarter ended March 31, 2019

Exhibit I: Alleghany's Form F Enterprise Risk Report for the year ending December 31, 2018

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicants will continue to provide the annual enterprise risk report specified in Wis. Admin. Code § 40.03(9), while in control of the Domestic Insurers. We refer to Alleghany's Form F Enterprise Risk Report for the year ending December 31, 2018, dated April 17, 2019, as

filed with the OCI, which is hereby incorporated by reference to this Application and is attached hereto as **Exhibit I**.

The Applicants acknowledge that the Applicants and all subsidiaries within their control in the insurance holding company system will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic Insurers.

Item 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Alleghany Corporation has caused this application to be duly signed on its behalf in the City of New York and State of New York on the 6th day of August, 2019.

(Seal)

ALLEGHANY CORPORATION

By: Joseph P. Brandon
Name: Joseph P. Brandon
Title: Executive Vice President

Attest:

By: Stela Burghart
Name: Stela Burghart
Title: VP, Alleghany Corporation

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated August 7, 2019, for and on behalf of Alleghany Corporation; that he is Executive Vice President of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Joseph P. Brandon
(Signature)
Name: Joseph P. Brandon

Subscribed and sworn to this 6th day of August, 2019.

Susanbeth Peters
Notary Public
My commission expires on 10/31/2020

SUSANBETH PETERS
NOTARY PUBLIC, STATE OF NEW YORK
No. 01PE6115545
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 10/31/2020

Item 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Alleghany Insurance Holdings LLC has caused this application to be duly signed on its behalf in the City of New York and State of New York on the 6th day of August, 2019.

(Seal)

ALLEGHANY INSURANCE HOLDINGS
LLC

By: Joseph P. Brandon
Name: Joseph P. Brandon
Title: President & Chief Executive Officer

Attest:

By: Stela Burghart
Name: Stela Burghart
Title: VP, Alleghany Corporation

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated August 7, 2019, for and on behalf of Alleghany Insurance Holdings LLC; that he is President and Chief Executive Officer of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Joseph P. Brandon
(Signature)
Name: Joseph P. Brandon

Subscribed and sworn to this 6th day of August, 2019.

Susanbeth Peters
Notary Public
My commission expires on 10/31/2020

SUSANBETH PETERS
NOTARY PUBLIC, STATE OF NEW YORK
No. 01PE615545
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES 10/31. 20 20