



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

April 20, 2017

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ociinformation@wisconsin.gov
Web Address: oci.wi.gov

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Richard F. Ecklord
President and Chief Operating Officer
Sandell Holdings Ltd.
540 Madison Avenue
New York, New York 10022

Mr. Thomas F. X. Hodson
Director and General Counsel
SOBC Holding Company Limited
55 Madison Avenue, Suite 400
Morristown, New Jersey 07960

Re: Case No. 17-C41664

Gentlemen:

Enclosed is a copy of the Proposed Decision, including findings of fact and conclusions of law.

In accordance with s. 227.46 (2), Wis. Stat., the Commissioner of Insurance is providing an opportunity for you to submit any written objections and arguments that you may have regarding the Proposed Decision, findings of fact, or conclusions of law. Each objection and argument should be brief and include the reasons and authorities for it. If you wish to make objections and arguments, send them in writing to Theodore K. Nickel, Commissioner of Insurance, State of Wisconsin, P. O. Box 7873, Madison, Wisconsin 53707-7873, within 30 days after the date of this letter.

When the Final Decision is issued, any appeal to circuit court for review must be served on the Commissioner of Insurance, 125 South Webster Street, Madison, Wisconsin 53703.

If you have any questions concerning any of the foregoing, you may contact me at (608) 266-0083.

Sincerely,

Rebecca L. Easland
Hearing Examiner

Enclosure

In the Matter of the Acquisition of Control
of Northwestern National Insurance Company
of Milwaukee, Wisconsin
by Sandell Holdings Ltd.,

PROPOSED DECISION

Case No. 17-C41664

Petitioner.

Rebecca L. Easland, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Present in person

Steven J. Junior, Insurance Examiner Supervisor
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioner:

Present by telephone

Mr. Richard F. Ecklord
President and Chief Operating Officer
Sandell Holdings Ltd.
540 Madison Avenue
New York, New York 10022

Other appearances:

Present by telephone

Mr. Thomas F. X. Hodson
Director and General Counsel
SOBC Holding Company Limited
55 Madison Avenue, Suite 400
Morristown, New Jersey 07960

PRELIMINARY

Pursuant to a Notice of Hearing dated April 5, 2017, a hearing was held at 10:06 a.m. on April 20, 2017, to determine whether the Petitioner's application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) Sandell Holdings Ltd., AON House, 30 Woodbourne Avenue, Pembroke HM 08 Bermuda, is a stock corporation domiciled in Bermuda (the Petitioner).

(2) Northwestern National Insurance Company of Milwaukee, Wisconsin, 8200 Beckett Park Drive, West Chester, Ohio 45069, is a Wisconsin domestic stock insurance corporation.

(3) The Petitioner filed with the Office of the Commissioner of Insurance an application for approval of the acquisition of control of Northwestern National Insurance Company of Milwaukee, Wisconsin (plan).

(4) The Petitioner was served with a Notice of Hearing.

(5) The Petitioner fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(6) The plan will not violate the law or be contrary to the interest of the insureds of Northwestern National Insurance Company of Milwaukee, Wisconsin.

(7) After the acquisition of control, Northwestern National Insurance Company of Milwaukee, Wisconsin will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(8) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(9) The financial condition of Sandell Holdings Ltd. is not likely to jeopardize the financial stability of Northwestern National Insurance Company of Milwaukee, Wisconsin or to prejudice the interests of its Wisconsin policyholders.

(10) There are no plans or proposals to liquidate the domestic stock insurance corporation, Northwestern National Insurance Company of Milwaukee, Wisconsin, to sell its assets, or to consolidate or merge it with any person or make any other material change in its business or corporate structure.

(11) The competence and integrity of the persons who will control the operation of the domestic stock insurance corporation, Northwestern National Insurance Company of Milwaukee, Wisconsin, and its proposed parent insurance holding corporation, Sandell Holdings Ltd., are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

(12) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:


(13) The Petitioner's request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- a) Northwestern National Insurance Company of Milwaukee, Wisconsin, Thomas F. X. Hodson, Lars E. T. Sandell, Sandell Holdings, Ltd., Stephanie C. Mocatta, Richard P. Whatton, Harry M. Witcher, and

Brian Johnston shall consent to the Stipulation and Order in the Matter of Case No. 17-C41674, the form of which constituted Exhibit 24 in the record of this proceeding.

- b) Northwestern National Insurance Company of Milwaukee, Wisconsin shall file the Investment Management Agreement with Sandell Asset Management Corp. on Form D with the Office of the Commissioner of Insurance no later than 30 days after the closing date of the acquisition. Apart from this extension of time for making such a Form D filing, the application of the Wisconsin Statutes and the Wisconsin Administrative Code are not modified.

Dated at Madison, Wisconsin, this 20th day of April, 2017.



Rebecca L. Easland
Hearing Examiner