
In the Matter of the Acquisition of Control
of The Omaha Indemnity Company
by Hannover Finance, Inc.,

FINAL DECISION

Case No. 17-C42186

Petitioner.

FINAL DECISION

I adopt the Hearing Examiner's Proposed Decision, including the findings of fact and conclusions of law, which is attached to this Final Decision and which was served on the Petitioners with an opportunity for submitting written objections.

Based upon these findings of fact and conclusions of law, I order that:

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

- a) Hannover Finance, Inc. and The Omaha Indemnity Company, with the latter under its intended new name of Glencar Insurance Company, shall consent to a stipulation and order issued by the Office of the Commissioner of Insurance under s. 601.41, Wis. Stat., which shall be in a form substantially similar to that provided in Exhibit 14 in the record of this proceeding, within ten (10) calendar days of the consummation of the proposed change in control.
- b) Upon consummation of the proposed change in control, Hannover Rück SE shall be regarded as exercising "control" of The Omaha Indemnity Company as "control" is defined by s. 600.03 (13), Wis. Statutes. However, in light of the information and observations submitted, described and/or represented as set forth herein, neither Hannover Rück SE nor either of Haftpflichtverband der Deutschen Industrie V.a.G. or Talanx AG shall be required to file a Form A distinct and subsequent to that filed in the matter of this Case No. 17-C42186 to seek approval for the acquisition of control of The Omaha Indemnity Company.
- c) Each of the following affiliated corporations, as entities in the proposed succession of control of The Omaha Indemnity Company shall file a Consent to Jurisdiction Statement on National Association of Insurance Commissioners' Form AA within ten (10) calendar days of the consummation of the proposed change in control:
 1. Hannover Rückversicherung AG
 2. Hannover Finance, Inc.
- d) Within ten (10) calendar days of the consummation of the proposed change in control, The Omaha Indemnity Company shall file Amended and Restated Articles of Incorporation in the form provided as Exhibit 2.9 in the record of this proceeding, which, among other matters, shall change the name of the company to Glencar Insurance Company. The effective date of these Amended and Restated Articles of Incorporation shall be deemed as the date of the consummation of the

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17-C42186 Closed: Dec 28, 2017
Ex: Junior, Steve
Atty: Wicka, Richard

proposed change in control and the date of their execution by the corporation's President and the date-stamp affixed to them by the Office of the Commissioner of Insurance shall reflect the date of the consummation of the proposed change in control.

- e) Within ten (10) calendar days of the consummation of the proposed change in control, The Omaha Indemnity Company shall file Amended and Restated Bylaws in the form provided as Exhibit 9.1 in the record of this proceeding. The effective date of these Amended and Restated Bylaws shall be deemed as the date of the consummation of the proposed change in control and the date-stamp affixed to them by the Office of the Commissioner of Insurance shall reflect the date of the consummation of the proposed change in control.
- f) The Omaha Indemnity Company shall restate its gross paid-in and contributed surplus and unassigned funds (surplus) pursuant to the National Association of Insurance Commissioners' Statement of Statutory Accounting Principles No. 72. Unassigned funds (surplus) shall be reset to zero upon consummation of the proposed change in control.

NOTICE OF APPEAL INFORMATION

(Notice of rights for rehearing and judicial review,
the times allowed for each, and the identification
of the party to be named as respondent)

The following notice is served on you as part of the Final Decision:

1. Rehearing.

Any person aggrieved by this Final Decision may petition for a rehearing within 20 days after the service of this Final Decision, as provided in s. 227.49, Wis. Stat. A petition for rehearing is not a prerequisite for appeal directly to circuit court through a petition for judicial review.

A petition for rehearing must be filed with the Commissioner at the address below.

2. Judicial Review.

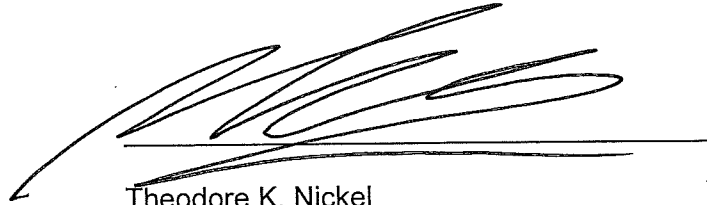
Any person aggrieved by this Final Decision has a right to petition for judicial review of this Final Decision as provided in s. 227.53, Wis. Stat. The petition must be filed in circuit court within 30 days after service of this Final Decision if there has been no petition for rehearing, or within 30 days after service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition by operation of law of any petition for rehearing.

A petition for judicial review must be served on, and name as the Respondent:

Commissioner of Insurance, Respondent
Office of the Commissioner of Insurance
P. O. Box 7873
Madison, Wisconsin 53707-7873

A copy of the relevant statutory provisions is attached.

Dated at Madison, Wisconsin, this 19th day of December, 2017.



Theodore K. Nickel
Commissioner of Insurance

WISCONSIN STATUTES

At all times material, the relevant parts of s. 227.49, Wis. Stat., read as follows:

227.49 PETITIONS FOR REHEARING IN CONTESTED CASES.

(1) A petition for rehearing shall not be a prerequisite for appeal or review. Any person aggrieved by a final order may, within 20 days after service of the order, file a written petition for rehearing which shall specify in detail the grounds for the relief sought and supporting authorities. An agency may order a rehearing on its own motion within 20 days after service of a final order. . . .

(2) The filing of a petition for rehearing shall not suspend or delay the effective date of the order, and the order shall take effect on the date fixed by the agency and shall continue in effect unless the petition is granted or until the order is superseded, modified, or set aside as provided by law.

(3) Rehearing will be granted only on the basis of:

(a) Some material error of law.

(b) Some material error of fact.

(c) The discovery of new evidence sufficiently strong to reverse or modify the order, and which could not have been previously discovered by due diligence.

(4) Copies of petitions for rehearing shall be served on all parties of record. Parties may file replies to the petition.

(5) The agency may order a rehearing or enter an order with reference to the petition without a hearing, and shall dispose of the petition within 30 days after it is filed. If the agency does not enter an order disposing of the petition within the 30-day period, the petition shall be deemed to have been denied as of the expiration of the 30-day period.

(6) Upon granting a rehearing, the agency shall set the matter for further proceedings as soon as practicable. . . .

At all times material, the relevant part of s. 227.52, Wis. Stat., read as follows:

227.52 JUDICIAL REVIEW; DECISIONS REVIEWABLE.

Administrative decisions which adversely affect the substantial interests of any person, whether by action or inaction, whether affirmative or negative in form, are subject to review as provided in this chapter. . . .

At all times material, the relevant parts of s. 227.53, Wis. Stat., read as follows:

227.53 PARTIES AND PROCEEDINGS FOR REVIEW. (1)

Except as otherwise specifically provided by law, any person aggrieved by a decision specified in s. 227.52 shall be entitled to judicial review thereof as provided in this chapter.

(a) 1. Proceedings for review shall be instituted by serving a petition therefor personally or by certified mail upon the agency or one of its officials, and filing the petition in the office of the clerk of the circuit court for the county where the judicial review proceedings are to be held. . . .

2. Unless a rehearing is requested under s. 227.49, petitions for review under this paragraph shall be served and filed within 30 days after the service of the decision of the agency upon all parties under s. 227.48. If a rehearing is requested under s. 227.49, any party desiring judicial review shall serve and file a petition for review within 30 days after service of the order finally disposing of the application for rehearing, or within 30 days after the final disposition by operation of law of any such application for rehearing. The 30-day period for serving and filing a petition under this paragraph commences on the day after personal service or mailing of the decision by the agency.

. . .

(b) The petition shall state the nature of the petitioner's interest, the facts showing that petitioner is a person aggrieved by the decision, and the grounds specified in s. 227.57 upon which petitioner contends that the decision should be reversed or modified. . . .

(c) A copy of the petition shall be served personally or by certified mail or, when service is timely admitted in writing, by first class mail, not later than 30 days after the institution of the proceeding, upon each party who appeared before the agency in the proceeding in which the decision sought to be reviewed was made or upon the party's attorney of record. . . .

(d) The agency . . . and all parties to the proceeding before it, shall have the right to participate in the proceedings for review. . .

In the Matter of the Acquisition of Control
of The Omaha Indemnity Company
by Hannover Finance, Inc.,

PROPOSED DECISION

Case No. 17-C42186

Petitioner.

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Present in person

Steven J. Junior, Insurance Examiner Supervisor
Michael Mancusi-Ungaro, Insurance Financial
Examiner – Advanced (Licensing Specialist)
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioner:

Present in person

Mr. Thomas R. Hrdlick
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Mr. Patrick P. Fee, President
Ms. Catherine Hood, Senior Vice President
Hannover Finance, Inc.
200 South Orange Avenue, Suite 1900
Orlando, Florida 32801

Other appearances:

Present by telephone

Mr. Dale Dixon
Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102

Mr. Wes Suter
Associate General Counsel
Mutual of Omaha Insurance Company
3300 Mutual of Omaha Plaza
Omaha, Nebraska 69175-1008

PRELIMINARY

Pursuant to a Notice of Hearing dated November 22, 2017, a hearing was held at 9:05 a.m. on December 11, 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) Hannover Finance, Inc., 200 South Orange Avenue, Suite 1900, Orlando, Florida 32801, is a stock corporation domiciled in Delaware (the Petitioner).

(2) The Omaha Indemnity Company, 3300 Mutual of Omaha Plaza, Omaha, Nebraska 68175, 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 The Omaha Indemnity Company (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 interests of the insureds of The Omaha Indemnity Company.

(7) After the acquisition of control, The Omaha Indemnity Company 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 Hannover Finance, Inc. is not likely to jeopardize the financial stability of The Omaha Indemnity Company or to prejudice the interests of its Wisconsin policyholders.

(10) There are no plans or proposals to liquidate the domestic stock insurance corporation, The Omaha Indemnity Company, 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, The Omaha Indemnity Company, and its proposed parent insurance holding corporation, Hannover Finance, Inc., 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:

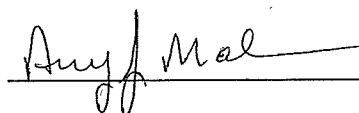
(13) The Petitioner's request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- a) Hannover Finance, Inc. and The Omaha Indemnity Company, with the latter under its intended new name of Glencar Insurance Company, shall consent to a stipulation and order issued by the Office of the Commissioner of Insurance under s. 601.41, Wis. Stat., which shall be in a form substantially similar to that provided in Exhibit 14 in the record of this proceeding, within ten (10) calendar days of the consummation of the proposed change in control.
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Dated at Madison, Wisconsin, this 11th day of December, 2017.



Amy J. Malm
Hearing Examiner