

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:

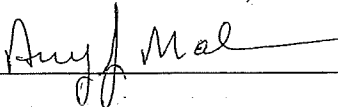
(13) The Petitioner's request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- 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.
- 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 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.

Dated at Madison, Wisconsin, this 11<sup>th</sup> day of December, 2017.



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Amy J. Malm  
Hearing Examiner