

AMENDMENT NO. 1 TO FORM A
STATEMENT REGARDING THE PROPOSED ACQUISITION OF
CONTROL OF OR MERGER WITH A DOMESTIC INSURER
Filed with the Office of the Commissioner of Insurance, State of Wisconsin

**GENERAL CASUALTY COMPANY OF WISCONSIN,
BLUE RIDGE INDEMNITY COMPANY,
BLUE RIDGE INSURANCE COMPANY,
MASSWEST INSURANCE COMPANY, INC.,
REGENT INSURANCE COMPANY,
SOUTHERN GUARANTY INSURANCE COMPANY,
SOUTHERN PILOT INSURANCE COMPANY and
SOUTHERN FIRE & CASUALTY COMPANY**

Domestic Insurers

subsidiaries of

WINTERTHUR U.S. HOLDINGS, INC.

by

QBE HOLDINGS, INC.

and

QBE INSURANCE GROUP LIMITED

**Filed with the
Insurance Department of Wisconsin**

Dated: March 15, 2007

**Names, Titles, Addresses and Telephone Numbers of
Individuals to Whom Notices and Correspondence
Concerning this Statement Should be Addressed:**

**Peter T. Maloney
Senior Vice President, Corporate Counsel and Secretary
QBE Reinsurance Corporation
Wall Street Plaza
88 Pine Street
New York, NY 10005
Telephone: (212) 894-7599
Facsimile: (212) 412-1313**

With Copies to:

**Charles R. Welsh
Edwards Angell Palmer & Dodge LLP
90 State House Square
Hartford, Connecticut 06103
Telephone: (860) 541-7762
Facsimile: (888) 325-9468
E-mail: cwelsh@eapdlaw.com**

**Alan J. Levin
Edwards Angell Palmer & Dodge LLP
90 State House Square
Hartford, Connecticut 06103
Telephone: (860) 541-7747
Facsimile: (888) 325-9088
E-mail: alevin@eapdlaw.com**

Pursuant to Section 40.02(1) of the Wisconsin Administrative Code, QBE Reinsurance Corporation ("QBE Re") and QBE Insurance Group Limited ("QBE Limited") filed with the Insurance Department of Wisconsin a Statement Regarding the Acquisition of Control of the Domestic Insurers (as defined therein), dated January 22, 2007 (the "Statement"). Pursuant to Section 40.02(4) of the Wisconsin Administrative Code, QBE Holdings, Inc., a Delaware stock corporation and the immediate parent of QBE Re ("QBE Holdings," and together with QBE Limited, the "Applicant"), and QBE Limited hereby file the following Amendment No. 1 to the Statement (the "Amended Statement") requesting approval of the Commissioner of Insurance of the State of Wisconsin (the "Commissioner") for the acquisition of control of the Domestic Insurers. On March 14, 2007, QBE Re assigned its rights and obligations under the Stock Purchase Agreement to QBE Holdings. The Items set forth below are hereby amended as described, and all other Items of the Application remain as filed. All capitalized terms used herein and not defined herein shall have the meanings set forth in the Statement.

ITEM 1. INSURER AND METHOD OF ACQUISITION

Item 1(b) is hereby amended and restated in its entirety as follows:

(b) Method of Acquisition of Control

The Applicant will acquire control (the "Acquisition") of the Domestic Insurers by QBE Holdings, a Delaware corporation, purchasing from the Seller (defined below) 100% of the issued and outstanding capital stock of Winterthur U.S., a Delaware corporation, for cash to be paid by the Applicant (as detailed in Item 4). Winterthur U.S. is a wholly-owned direct subsidiary of Winterthur Schweizerische Versicherungs-Gesellschaft, a Swiss stock corporation (the "Seller"). Winterthur U.S. is the direct record and beneficial owner of all of the issued and outstanding capital stock of GCW, which is the direct record and beneficial owner of all of the issued and outstanding capital stock of the GCW Wisconsin Subsidiaries.

The terms of the Acquisition of Winterthur U.S. by the Applicant are set forth in the Stock Purchase Agreement dated as of January 4, 2007, by and among the Seller, QBE Re and QBE Limited (the "Stock Purchase Agreement"). A copy of the Stock Purchase Agreement is attached to the Statement as "Exhibit A." On March 14, 2007, pursuant to an Assignment and Assumption Agreement, by and among QBE Holdings, QBE Re, the Seller (as defined herein) and QBE Limited (the "Assignment Agreement"), a copy of which is attached hereto as "Exhibit A-1," QBE Re assigned all of its rights and obligations under the Stock Purchase Agreement to QBE Holdings. Through its Acquisition of Winterthur U.S., the Applicant will

also acquire control of (i) Unigard Insurance Company, Unigard Indemnity Company and Unigard Pacific Insurance Company, which are all Washington domiciled companies and subsidiaries of Winterthur U.S., and (ii) General Casualty Company of Illinois (an Illinois domiciled company), and Hoosier Insurance Company (an Indiana domiciled company), which are all direct subsidiaries of GCW. Form A applications have been filed in the states of Illinois, Indiana, Washington and California, where Unigard Insurance Company and Unigard Indemnity Company are deemed to be commercially domiciled. Amendments to said Form A applications will be filed in the states of Illinois, Indiana, Washington and California advising of the assignment and of the changes herein.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

Items 2(a) and 2(b) are hereby amended and restated in their entirety as follows:

(a) Name and Address of the Applicant

The names and principal business addresses of the Applicant seeking to acquire control over the Domestic Insurers are as follows:

QBE Holdings, Inc.
c/o Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

Wall Street Plaza
88 Pine Street, 16th Floor
New York, New York 10005

QBE Insurance Group Limited
Level 2, 82 Pitt Street
Sydney, N.S.W. 2000

(b) Business Operations of the Applicant

QBE Holdings is a Delaware domiciled holding company. The principal offices of QBE Holdings are located at Wall Street Plaza, 88 Pine Street, 16th Floor, New York, NY 10005.

QBE Holdings is an indirect wholly-owned subsidiary of QBE Limited, a holding company organized under the laws of Australia. Additional information about QBE Limited, its affiliated companies and its business operations are included in its 2005 Annual Report, a copy of which is attached to the Application as "Exhibit B."

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

Item 3 is hereby amended as follows:

The list setting forth the names and business addresses of the directors and executive officers is deleted and replaced with the list attached hereto as "Exhibit D." The biographical affidavits of directors and executive officers, previously submitted as "Exhibit E" to the Statement, includes biographical affidavits for the officers and directors of QBE Holdings.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

Item 4 is hereby amended and restated in its entirety as follows:

(a) Consideration

The Acquisition will be effected by QBE Holdings purchasing from the Seller one hundred (100%) percent of the issued and outstanding capital stock of Winterthur U.S., the direct record and beneficial owner of all of the shares of GCW, the direct record and beneficial owner of all of the issued and outstanding capital stock of the GCW Wisconsin Subsidiaries. QBE Holdings will pay to the Seller an aggregate purchase price of \$1,156,000,000 (the "Purchase Price") in exchange for all of the issued and outstanding capital stock of Winterthur U.S. QBE Holdings will also cause Winterthur U.S. to repay approximately \$557,000,000 in intercompany loans, with the repayment of such intercompany loans to be financed by QBE Holdings.

The Purchase Price and the repayment of the intercompany loans will be funded from QBE Limited's internal excess capital, dividend reinvestment, short-term debt, long-term debt and capital raised through an equity offering, the proceeds of which will be contributed to QBE Holdings as a capital contribution. Obtaining such funding is not a condition to closing under the Stock Purchase Agreement.

In arriving at the value to be paid for the shares of capital stock of Winterthur U.S., as the parent of the Domestic Insurers, the Applicant reviewed and evaluated information from various sources, including the financial statements of Winterthur U.S. and the Domestic Insurers and other information with respect to past and current business operations of Winterthur U.S. and the Domestic Insurers, the financial condition and future prospects of Winterthur U.S. and the Domestic Insurers, and such other due diligence as the Applicant considered relevant.

The nature and amount of the consideration were determined through negotiations on an arm's-length basis between unrelated parties.

ITEM 5. FUTURE PLANS FOR INSURERS

Item 5 is hereby amended and restated in its entirety as follows:

Following the Acquisition, the Applicant has no plans nor are there any proposals to have the Domestic Insurers declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell assets of the Domestic Insurers (except in the ordinary course of business), to merge the Domestic Insurers with any other person, or to make any material changes in the business operations or corporate structure of the Domestic Insurers.

Following the Acquisition, management of the Domestic Insurers will consist of certain current officers and directors of the Domestic Insurers together with certain current officers and directors from QBE Holdings and its affiliated United States insurance subsidiaries. It is expected that all newly elected officers and directors will be individuals who have provided biographical affidavits under Item 3 above. Applicant will notify the Wisconsin Office of the Commissioner of Insurance once Applicant finalizes the reconstituted management of the Domestic Insurers.

The general business plan for the Domestic Insurers will not change following the Acquisition. The Domestic Insurers will continue to specialize in property and casualty insurance risks written through independent agents in states where the companies are licensed.

QBE Limited and its affiliates are an international general insurance and reinsurance group. The United States operations of QBE Limited are comprised of five (5) insurers, QBE Re, QBE Insurance Corporation, a Pennsylvania domiciled property and casualty insurance company and wholly-owned subsidiary of QBE Re, QBE Specialty Insurance Company, a North Dakota domiciled surplus lines insurer and a wholly-owned subsidiary of QBE Insurance Corporation, National Farmers Union Property and Casualty Company, a Colorado domiciled property and casualty insurance company and wholly-owned subsidiary of QBE Re, and United Security Insurance Company, a Colorado domiciled property and casualty insurance company and wholly-owned subsidiary of National Farmers Union Property and Casualty Company.¹

¹ On December 13, 2006, QBE Re announced the execution of a Stock Purchase Agreement among Hannover Finance, Inc., Hannover Ruckversicherung AG, QBE Reinsurance Corporation and QBE Insurance Group Limited (the "PFG SPA"). On March 2, 2007, pursuant to an Assignment and Assumption Agreement, by and among QBE Holdings, QBE Re, Hannover Finance, Inc., Hannover Ruckversicherung AG and QBE Limited (the "Assignment Agreement"), QBE Re assigned all of its rights and obligations under the PFG SPA to QBE Holdings. Upon the satisfaction of all conditions to closing, QBE Holdings would control, directly, 100% of the issued and outstanding

QBE Limited and its affiliates comprise Australia's largest insurance and reinsurance group, which, in addition to North America, has operations in South America, Europe and Asia. The Domestic Insurers will complement the existing insurance activities of QBE Limited in the United States and the Acquisition is consistent with QBE Limited's focus on specialty insurance programs and small to medium regional markets in the United States. Following the Acquisition, the Domestic Insurers will be supported by the financial strength, managerial resources and experience of its affiliated companies.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Item 6 is hereby amended and restated in its entirety as follows:

As described under Item 1, QBE Holdings will indirectly acquire all of the issued and outstanding voting securities of the Domestic Insurers under the terms and for the consideration as described in the Stock Purchase Agreement by way of the acquisition of 200 shares of common stock, par value \$1.00 per share, of Winterthur U.S., the direct record owner and beneficial owner of all of the issued and outstanding capital stock of GCW. GCW is the direct record owner and beneficial owner of all of the issued and outstanding capital stock of the GCW Wisconsin Subsidiaries.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Item 7 is hereby amended and restated in its entirety as follows:

None of the Applicant, any of their affiliates nor any person listed in Item 3 hereof, has any current legal or beneficial interest in any voting security of any of the Domestic Insurers. Other than the rights of QBE Holdings existing under the Stock Purchase Agreement and pursuant to the Assignment Agreement, none of the Applicant, any of their affiliates nor any person listed in Item 3 hereof, has any right or has entered into any agreement to purchase or otherwise acquire any such voting security.

capital stock of Praetorian Financial Group, Inc. ("PFG"), a Delaware holding company and, indirectly, 100% of the issued and outstanding capital stock of Praetorian Insurance Company ("PIC"), an Illinois insurance company and wholly-owned subsidiary of PFG, Redland Insurance Company, a New Jersey insurance company and wholly-owned subsidiary of PFG and Praetorian Specialty Insurance Company, a Delaware insurance company and wholly-owned subsidiary of PFG. Form A applications are pending in Delaware, Illinois, New Jersey, and California, where Redland Insurance Company is deemed to be commercially domiciled. Amendments to said Form A applications have been filed in Delaware, Illinois, New Jersey, and California advising of the Assignment Agreement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Item 11 is hereby amended and restated in its entirety as follows:

Because the consideration to be paid by QBE Holdings to the Seller, pursuant to the Assignment Agreement and under the Stock Purchase Agreement, consists entirely of cash, and because all of the Domestic Insurers are indirect wholly-owned subsidiaries of the Seller, no agreement, contract or understanding has been made by the Applicant or their affiliates with any broker-dealer as to solicitation of voting securities of the Domestic Insurers and no amount of fees, commissions or other compensation has been paid by the Applicant or their affiliates to broker-dealers with regard to solicitation of voting securities of the Domestic Insurers.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Listing of Exhibits and Financial Statements

The following is a list of all Exhibits and Financial Statements that are included in and made a part of the this Amended Statement:

<u>Exhibit</u>	<u>Description of Exhibit</u>
Exhibit A-1	Assignment and Assumption Agreement, dated as of March 14, 2007, by and among QBE Reinsurance Corporation, QBE Holdings, Inc., QBE Insurance Group Limited and Winterthur Schweizerische Versicherungs-Gesellschaft
Exhibit D	List of the Directors and Executive Officers of Applicant
Exhibit G	Balance Sheets and Income Statements of QBE Holdings, Inc. for Years Ending 2001 through 2006 (Exhibit G attached hereto hereby replaces Exhibit G submitted in the Statement.)

[Signature Pages Follow]

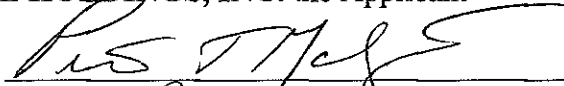
ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Ch. Ins. 40, Wis. Adm. Code, the Applicant has caused this Amended Statement to be duly signed on its behalf in the City of New York, New York on the 15 day of March, 2007.

(Seal)

QBE HOLDINGS, INC. the Applicant

By: 

Name: Peter V. McInerney

Title: Corporate Secretary

Attest:



Name: Christopher C. Fish

Title: EVP & CFO

(Seal)

QBE INSURANCE GROUP LIMITED, the Applicant

By: _____

Name:

Title:

Attest:

Name:

Title:

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Ch. Ins. 40, Wis. Adm. Code, the Applicant has caused this Amended Statement to be duly signed on its behalf in the City of New York, New York on the ___ day of _____, 2007.

(Seal)

QBE HOLDINGS, INC. the Applicant

By: _____
Name:
Title:

Attest:

Name:
Title:



QBE INSURANCE GROUP LIMITED, the Applicant

By: D Ramsay
Name: D RAMSAY
Title: SECRETARY

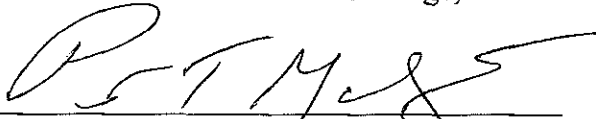
Attest:

Peter Smiles
Name: PETER SMILES
Title:

**SOLICITOR OF THE SUPREME
COURT OF NSW**

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Statement dated March 15, 2007, for and on behalf of QBE Holdings, Inc. and that he is the Corporate Secretary of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Corporate Secretary

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Statement dated _____, 2007, for and on behalf of QBE Insurance Group Limited and that he is the _____ of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Name:

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Statement dated _____, 2007, for and on behalf of QBE Holdings, Inc. and that he is the _____ of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Name:

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Statement dated _____, 2007, for and on behalf of QBE Insurance Group Limited and that he is the SECRETARY of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

D Ramsey
Name:
D Ramsey