

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 REINSURANCE CORPORATION

and

QBE INSURANCE GROUP LIMITED

Filed with the
Insurance Department of Wisconsin

Dated: January 22, 2007

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

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QBE Reinsurance Corporation (“QBE Re”) and QBE Insurance Group Limited (“QBE Limited”) (together, the “Applicant”) hereby file this Statement Regarding the Acquisition of Control of the Domestic Insurers (as defined herein) (the “Statement”) to request approval of the Commissioner of Insurance of the State of Wisconsin (the “Commissioner”) pursuant to §§ 611.72 and 617.11 of the Wisconsin Insurance Code and § 40.02 of the Wisconsin Administrative Code for the acquisition of control of the Domestic Insurers (as defined in Item 1).

ITEM 1. INSURER AND METHOD OF ACQUISITION

(a) Name and Address of Domestic Insurers

This Statement relates to the proposed acquisition of control of the following Wisconsin-domiciled insurance companies:

- (1) General Casualty Company of Wisconsin (“GCW”);
- (2)
 - (i) Blue Ridge Indemnity Company;
 - (ii) Blue Ridge Insurance Company;
 - (iii) MassWest Insurance Company, Inc.;
 - (iv) Regent Insurance Company;
 - (v) Southern Guaranty Insurance Company;
 - (vi) Southern Pilot Insurance Company; and
 - (vii) Southern Fire & Casualty Company.

The insurance companies listed under (1) and (2) immediately above are referred to in this Statement collectively as the “Domestic Insurers.” The Domestic Insurers listed under (2) are all wholly-owned subsidiaries of GCW and are referred to in this Statement collectively as the “GCW Wisconsin Subsidiaries.” The immediate parent of GCW is Winterthur U.S. Holdings, Inc. (“Winterthur U.S.”). The principal executive offices of the Domestic Insurers are located at 1 General Drive, Sun Prairie, Wisconsin 53596-0001, Telephone: (608) 837-4440.

(b) Method of Acquisition of Control

The Applicant will acquire control (the "Acquisition") of the Domestic Insurers by QBE Re, a Pennsylvania 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, among the Seller and QBE Re and QBE Limited (the "Stock Purchase Agreement"), a copy of which is attached hereto as "Exhibit A." 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), Hoosier Insurance Company (an Indiana domiciled company) and Southern Guaranty Insurance Company of Georgia (a Georgia domiciled company), which are all direct subsidiaries of GCW. Form A applications will also be filed in the states of Illinois, Indiana, Georgia, Washington, and California, where Unigard Insurance Company and Unigard Indemnity Company are deemed to be commercially domiciled.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(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 Reinsurance Corporation
Wall Street Plaza
88 Pine Street, 16th Floor
New York, NY 10005

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

(b) Business Operations of the Applicant

QBE Re is a Pennsylvania domiciled property and casualty insurance company. QBE Re primarily engages in the business of reinsurance. QBE Re is licensed to transact the business of property and casualty insurance in twenty-three (23) jurisdictions and reinsurance only in ten (10) jurisdictions. The principal offices of QBE Re are located at Wall Street Plaza, 88 Pine Street, 16th Floor, New York, NY 10005.

QBE Re 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 hereto as "Exhibit B."

(c) Organization Charts

Attached hereto as "Exhibit C" is a chart detailing identities and interrelationships among the Applicant and its affiliates and indicating the percentage of voting securities of each person that is owned or controlled by Applicant. Moreover, such chart also lists, as to each person specified in the chart, the type of organization (corporation, partnership or trust) and its state or jurisdiction of domicile. No person specified in the chart is controlled in a manner other

than through the ownership of control of voting securities, and no court proceedings are currently pending involving a reorganization or liquidation of any such person.

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

A list setting forth the names and business addresses of the directors, executive officers and owners of ten percent (10%) or more of the voting securities of the Applicant are attached hereto as "Exhibit D." Biographical questionnaire forms completed by the directors, executive officers and owners of ten percent (10%) or more of the voting securities of the Applicant are attached hereto as "Exhibit E." None of such persons has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Acquisition will be effected by QBE Re 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. Article II of the Stock Purchase Agreement provides that QBE Re 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 Re 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 Re.

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 a public equity offering, the proceeds of which will be contributed to QBE Re as a capital contribution.

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 the 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

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 Re 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 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.

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. Upon the satisfaction of all conditions to closing, QBE Re would control, directly, 100% of the issued and outstanding 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 filings are pending in Delaware, Illinois, New Jersey, and California, where Redland Insurance Company is deemed to be commercially domiciled.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

As described under Item 1, QBE Re 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

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 Re existing under the Stock Purchase 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.

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

Other than the Stock Purchase Agreement, there are no contracts, arrangements or understandings with respect to any voting securities of the Domestic Insurers in which the Applicant or their affiliates is involved.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no transactions in any voting securities of the Domestic Insurers by the Applicant or their affiliates during the twelve (12) calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

None of the Applicant, their affiliates, nor, to the knowledge of the Applicant, any person listed in Item 3 has made any recommendations to purchase any voting security of the Domestic Insurers during the twelve (12) calendar months preceding the date of this Statement. No one, based upon interviews with or at the suggestion of the Applicant, their affiliates, nor, to the knowledge of the Applicant, any person listed in Item 3, has made any recommendations to purchase any voting security of the Domestic Insurers during the twelve (12) calendar months preceding the date of this Statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Because the consideration to be paid by QBE Re to the Seller 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 Application:

<u>Exhibit</u>	<u>Description of Exhibit</u>
Exhibit A	Stock Purchase Agreement dated as of January 4, 2007 among Winterthur Schweizerische Versicherungs-Gesellschaft, QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit B	QBE Insurance Group Limited Annual Report for the Period Ending December 31, 2005

Exhibit C	Organizational Chart of QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit D	List of the Directors and Executive Officers of QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit E	Biographical Affidavits of QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit F	Annual Reports of QBE Insurance Group Limited for the Period Ending 2001 through 2005 and the Half Year Reported for the Period Ending June 2006
Exhibit G	Annual Financial Statements of QBE Reinsurance Corporation for the Years Ending 2001 through 2005 and the September 30, 2006 Quarterly Financial Statement

(b) Exhibits

Because all of the Domestic Insurers are indirect wholly-owned subsidiaries of the Seller, the Applicant is not aware of any tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any voting securities of the Domestic Insurers or any additional soliciting material relating thereto. The Applicant has not proposed or entered into any employment, consultation, advisory or management contracts concerning the Domestic Insurers. The Domestic Insurers do not publish annual reports. Annual reports of QBE Limited for the last two fiscal years are attached at "Exhibit F."

[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 Statement to be duly signed on its behalf in the City of Sydney and State of New South Wales on the 22 day of January, 2007.

(Seal)


QBE REINSURANCE CORPORATION, the Applicant

By: 

Name: Frank O'Halloran

Title: Director

Attest:



Name: PETER SMILES

Title: SENIOR MANAGER, GROUP LEGAL

**SOLICITOR OF THE SUPREME
COURT OF NSW**

(Seal)


QBE INSURANCE GROUP LIMITED, the Applicant

By: 

Name: Frank O'Halloran

Title: Director

Attest:



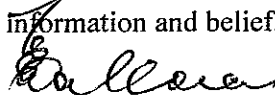
Name: PETER SMILES

Title: SENIOR MANAGER, GROUP LEGAL

**SOLICITOR OF THE SUPREME
COURT OF NSW**

CERTIFICATION

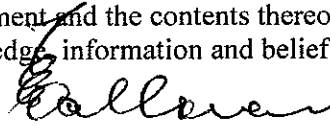
The undersigned deposes and says that he has duly executed the attached application dated 22 January, 2007, for and on behalf of QBE Reinsurance Corporation and that he is a Director of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar 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: Frank O'Halloran

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated 22 January, 2007, for and on behalf of QBE Insurance Group Limited and that he is a Director 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: Frank O'Halloran