

In the Matter of the Acquisition of Control of  
United National Specialty Insurance Company

NOTICE OF HEARING

by

State National Companies, Inc. and  
State National Insurance Company, Inc.

Petitioners

Case No. 16-C41318

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\*\*\* PREHEARING CONFERENCE DATE: September 22, 2016, at 1:00 p.m. (C.D.S.T.)  
IS SCHEDULED

PLACE: Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, Wisconsin 53703

\*\*\* HEARING IS SCHEDULED DATE: September 22, 2016, at 1:05 p.m. (C.D.S.T.)

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125 South Webster Street  
Madison, Wisconsin 53703

\*\*\*PLEASE READ CAREFULLY\*\*\*

A class 1 hearing under s. 611.72 and chs. 227 and 617, Wis. Stat., will be held before Rebecca L. Easland, duly appointed hearing examiner, at the time and place stated above, to be continued at any time and place the hearing examiner considers necessary, to consider the matters set forth in this Notice of Hearing.

The issues to be considered are as follows:

- (1) The plan for the acquisition of control of United National Specialty Insurance Company by the Petitioners.
- (2) The names, addresses, and interrelationships of all affiliates and principals of the Petitioners at the time of the filing and after the request is granted if the plan is approved.
- (3) Whether or not, under s. 611.72 and ch. 617, Wis. Stat.
  - (a) The plan would violate the law or be contrary to the interests of the insureds of United National Specialty Insurance Company, participating domestic corporations, or of the Wisconsin insureds of any participating nondomestic corporation.

- (b) After the acquisition of control, United National Specialty Insurance Company would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which each is presently licensed.
- (c) The effect of the acquisition of control would be to create a monopoly or substantially to lessen competition in insurance in Wisconsin.
- (d) The merger is likely to jeopardize the financial stability of United National Specialty Insurance Company or to prejudice the interests of its Wisconsin policyholders.
- (e) Any plans or proposals which the acquiring party has to liquidate United National Specialty Insurance Company or its parent insurance holding corporation, sell its assets, or consolidate or merge it with any person, or make any other material change in its business or corporate structure or management are fair and reasonable to policyholders of the domestic stock insurance corporation or in the public interest.
- (f) The competence and integrity of the persons who would control the operation of United National Specialty Insurance Company or its parent insurance holding corporation are such that it would be in the interest of the policyholders of the corporation and of the public to permit the acquisition of control.

(4) Whether the Petitioner has complied with the filing requirements of s. Ins 40.02, Wis. Adm. Code.

Dated at Madison, Wisconsin, this 23<sup>rd</sup> day of August, 2016.



Rebecca L. Easland  
Hearing Examiner