

Form A
**Statement Regarding the Acquisition of Control of
or Merger with a Domestic Insurer**

Filed with the Office of the Commissioner of Insurance,
State of Wisconsin

Northwestern National Insurance Company
Name of Domestic Insurer

by

Sandell Holdings Ltd.
Name of Acquiring Person (Applicant)

Date: January 10, 2017

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Thomas F. X. Hodson
Director and General Counsel
SOBC Holding Company Limited
55 Madison Avenue, Suite 400
Morristown, NJ 07960
Telephone: (860) 614-3656
Email: Thomas.hodson@sobccorp.com

Richard F. Ecklord
President and COO
Sandell Holdings Ltd.
AON House
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ITEM 1. INSURER AND METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and briefly describe how control is to be acquired.

This application relates to Northwestern National Insurance Company, 8200 Beckett Park Drive, Suite 201, West Chester, OH 45069 (“NNIC”). Sandell Holdings Ltd. (“Sandell Holdings”) proposes to acquire control of NNIC through the purchase of fifty percent (50%) of the issued and outstanding capital stock of SOBC Holdings Ltd. (“SOBC Holdings”), the United Kingdom based ultimate parent company of SOBC Gamma Holding Company Limited (“SOBC Gamma”), pursuant to an agreement to purchase the B Shares, a copy of which is attached as Appendix 1. The A Shares, representing 50% of the ownership of SOBC Holdings, will remain with the executive management team, Stephanie Mocatta (through SOBC Ltd.), Richard Whatton (through SOBC Ltd.), Brian Johnston (through Pentland Services LLC), Harry Witcher and Thomas F. X. Hodson.

SOBC Gamma, the immediate parent company of NNIC, is a subsidiary of SOBC Corp., which specializes in the acquisition and management of distressed or run-off insurance or reinsurance entities. To date, the SOBC team has acquired nine insurance entities in run-off; closed two, re-financed and restarted another as a live underwriting operation, has four under management and sold the remainder after managing the liabilities to an acceptable level of risk.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) State the name and address of the applicant seeking to acquire control over the insurer.

Sandell Holdings Ltd, AON House, 30 Woodbourne Avenue, Pembroke HM 08, Bermuda.

(b) If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant’s subsidiaries.

Sandell Holdings is a Bermuda based property and casualty reinsurance holding company.

(c) Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g., corporation, trust, partnership) and the state of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

A chart showing the affiliates of Sandell Holdings is attached as Appendix 2. No court proceedings involving a reorganization or liquidation are pending with respect to any entity shown in the chart.

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

On the biographical affidavit, include a third party background check and state the following with respect to (1) the applicant if the applicant is an individual or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual.

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(c) Material occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection with the license or registration whether pending or concluded.

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

Biographical affidavits for the controlling directors and executive officers of Sandell Holdings are attached as Appendix 3.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Describe the nature, source and amount of funds or other considerations used, or to be used, in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.

The original investors in the B Shares of SOBC Holding acquired units, each unit representing 83,400 B shares (at 1 pence per share) and £49,166 of 10% loan notes maturing in 2019. Each unit was sold for £50,000. The original B Share investors

currently hold 4,170,000 B Shares and £2,458,300 Loan Notes. As part of this transaction, Sandell Holdings is acquiring all of the B Shares and the associated Loan Notes for £55,004 per unit. Additionally, as part of the transaction, Sandell Holdings has agreed to replace the 10% Loan Notes with .75% Loan Notes maturing in 2021. The total amount to be paid by Sandell Holdings for all of the B Shares and associated Loan Notes is \$3,567,503.48.

(b) Explain the criteria used in determining the nature and amount of such consideration.

The nature and amount of the consideration were determined by arm's-length agreement between Sandell Holdings and each B Shareholder. Sandell Holdings believes the agreed purchase price to be fair for a couple of key reasons. Notably, because the management team's core strengths complement its long term strategy as investors and owners of a Bermuda based reinsurance company. Further, the long term claim payment horizon on run-off business allows Sandell Holdings and its affiliates, through their investment expertise, to offer significant benefit to SOBC and the companies that it acquires by investing the assets of the companies and achieving a higher rate of return, all within the statutory guidelines of the states of domicile.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate the insurer, to sell the insurer's assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

The acquisition of the B Shares and associated Loan Notes by Sandell Holdings does not change any of the commitments made by SOBC in its Form A filing dated February 3, 2016 and approved by the Office of the Commissioner of Insurance, State of Wisconsin, on May 31, 2016 (the "Original Form A").

SOBC has no current plans to declare an extraordinary dividend, to liquidate the insurer, to sell the insurer's assets to or merge it with any person or persons or to make any other material change in its corporate structure.

SOBC does have plans for streamlining the run-off management, settling claims where possible, reducing costs and attempting to maintain, or increase, solvency. These plans were detailed in our Business Plan for NNIC, filed as part of the Original Form A and incorporated by reference hereto.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire; and the terms of the offer, request, invitation, agreement or acquisition; and a statement as to the method by which the fairness of the proposal was arrived at.

Sandell Holdings is acquiring the B Shares and associated Loan Notes of SOBC Holding. No shares of NNIC are being exchanged as part of this transaction. Ownership of NNIC will remain with SOBC Gamma. The original investors in the B Shares of SOBC Holding acquired units, each unit representing 83,400 B shares (at 1 pence per share) and £49,166 of 10% loan notes maturing in 2019. Each unit was sold for £50,000. The original B Share investors currently hold 4,170,000 B Shares and £2,458,300 Loan Notes. As part of this transaction, Sandell Holdings is acquiring all of the B Shares and the associated Loan Notes for £55,004 per unit. Additionally, as part of the transaction, Sandell Holdings has agreed to replace the 10% Loan Notes with .75% Loan Notes maturing in 2021. These shares are being acquired pursuant to a Stock Purchase Agreement, a copy of which is attached as Appendix 1.

The fairness of the proposal was determined by arm's-length negotiations between the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

None.

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

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

None.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

None.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

None.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

None.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Pursuant to s. 601.42, Stat., financial statements, exhibits, and three-year financial projections of the insurer(s) shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

Appendix 1 Stock Purchase Agreement

Appendix 2 SOBC organization chart

Appendix 3 Biographical affidavits of Sandell Holdings

Appendix 4 Audited financial statements for Sandell Holdings for the fiscal years ended December 31, 2015 (its first full year of operation), as well as unaudited atatements for Q1, Q2 and Q3 2016

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if the information is available. The statements may be prepared either on an individual basis or, unless the commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the person's last fiscal year, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which

is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the annual statement of the person filed with the insurance department of the person's state of domicile and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

Attached as Appendix 4 are audited financial statements for Sandell Holdings for the fiscal years ended December 31, 2015 (its first full year of operation), as well as unaudited statements for Q1, Q2 and Q3 2016.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last 2 fiscal years, and any additional documents or papers required by form A or ss. Ins 40.11 and 40.13, Wis. Adm. Code.

There are no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of NNIC; or soliciting material relating thereto; or any proposed employment, consultation, advisory or management contracts concerning NNIC; or any annual reports to the stockholders of NNIC for the last 2 fiscal years.

As grounds for approval of the plan for acquisition of control described in this statement, Applicant states that the plan would not violate the law or be contrary to the interests of the insureds of NNIC or any participating domestic insurer or of the Wisconsin insureds of any participating non-domestic insurer and that:

(a) **After the change of control, NNIC would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;**

(b) **The effect of the acquisition of control would not be to create a monopoly or substantially to lessen competition in insurance in Wisconsin;**

(c) **The financial condition of any acquiring party is not likely to jeopardize the financial stability of NNIC, or prejudice the interests of its Wisconsin policyholders;**

(d) **Applicant has no plans or proposals to liquidate NNIC or its parent insurance holding corporation, sell its assets, or merge it with any person or make any other material change in its corporate structure, and Applicant's plans or proposals for changes in the business operations and management of NNIC are fair and reasonable to policyholders of NNIC and in the public interest; and**

(e) **The competence and integrity of those persons who would control the operation of NNIC are such that it would be in the interest of the policyholders of NNIC and of the public to permit the acquisition of control.**

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

Applicant agrees to provide, to the best of its knowledge and belief, the information required by form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

Signature and certification as follows:

SIGNATURE

Pursuant to the requirements of Wis. Admin. Code ch. Ins 40, Applicant has caused this application to be duly signed on its behalf on the 10th day of January, 2017.

Sandell Holdings Ltd.

By: RF Ecklord

Name: Richard F. Ecklord
Title: President and COO

Attest: J. D. Meadlin
Name: Justin D. Meadlin
Title: Director of Business Development

Certification

The undersigned deposes and says that deponent has duly executed the attached application dated January 10, 2017, for and on behalf of Sandell Holdings Ltd., that deponent is the President and COO of such company, and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of deponent's knowledge, information and belief.

RF Ecklord
Name: Richard F. Ecklord

Subscribed and sworn to this
10th day of January, 2017

MARIA SCHIAVO
Notary Public - State of New York
No. 01SC6315851
Qualified in Richmond County
My Commission Expires December 1, 2018

Maria Schiavo
Notary public
My commission expires on: December 1, 2018

Appendix 1

Stock Purchase Agreement

Appendix 2

Sandell Holdings Ltd. Organization Chart

Appendix 3

Biographical Affidavits in response to Item 3

This appendix is filed subject to a request for CONFIDENTIAL treatment and an exception under the public records law.

Appendix 4

Audited financial statements for Sandell Holdings for the fiscal years ended December 31, 2015 (its first full year of operation), as well as unaudited atatements for Q1, Q2 and Q3 2016