

Junior, Steve J - OCI

From: Junior, Steve J - OCI
Sent: Tuesday, November 07, 2017 11:04 AM
To: Hrdlick, Thomas R. (THrdlick@foley.com)
Cc: pfee@hfinc.us
Subject: Hannover/Omaha Indemnity
Attachments: Case Rec Memo E Version.docx; Draft List of Exhibits.docx; Hannover Waiver.docx; Mutual of Omaha Waiver.docx; Glencar Stip Order 2017.docx

Tom

In order to complete our review of the Form A by Hannover Finance, Inc. dated October 20, 2017 and Form D by Hannover Finance, Inc. on behalf of The Omaha Indemnity Company (to be renamed, Glencar Insurance Company) dated October 31, 2017, the following items and questions must be addressed:

1. Please provide the following information for Hannover Finance, Inc.
 - a. 2012 balance sheet
 - b. 2013 income statement
 - c. 2014 income statement
 - d. 2015 income statement
 - e. 2016 income statement
2. The proposed Amended and Restated Bylaws for Glencar Insurance Company should be re-filed without Section 8.3 concerning Implied Amendments. This Office is against this provision, because insurers should follow their own governance documents or make timely amendments as suits their needs. Furthermore, this Office would prefer to be consulted in emergency situations rather than stumbling upon them during a financial examination, which might take place a few years after the emergency.
3. Section 16 of the proposed Administrative Services Agreement by and among Glencar Underwriting Managers, Inc. and Glencar Insurance Company should be modified to require errors and omissions liability and fidelity bond coverages with limits in commercially reasonable amounts. This coverage need not be duplicative or in excess of that already required under Article IX of the proposed Program Administrator's Agreement. It is simply that the services under both agreements are essential to day-to-day operations and such coverage would be expected in either type of contract.
4. A draft copy of the Case Recommendation Memo is attached. Please provide additional information on the history, form of organization, and financial position of Haftpflichtverband der Deutschen Industrie V.a.G.
5. A draft list of exhibits is attached for your consideration.
6. A draft stipulation and order is attached concerning certain conditions for our approval of the proposed acquisition of control.
7. Draft waivers of right to object are attached for use in the event that the parties would like expedited entry of a Final Decision in accordance with the Proposed Decision.

If you have questions on this or any other matter in which I may be of some assistance, please call me at (608) 267-4388.

Steve

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