

In the Matter of the Acquisition of Control
of Southern Fire & Casualty Company

PROPOSED DECISION

by Sentry Insurance A Mutual Company
Petitioner.

Case No. 20-C43742

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Present by Phone

Kristin Forsberg, Financial Examiner - Chief
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioner:

Present by Phone

Kevin Fitzgerald, Partner
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Leigh Baker, Paralegal
Sentry Insurance A Mutual Company
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For Southern Fire &
Casualty Company

Present by Phone

John Svoboda, Head of Regulatory Relations
Jennifer Vernon, SVP, General Counsel
QBE North America
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New York, NY 10041

PRELIMINARY

Pursuant to a Notice of Hearing dated October 14, 2020, a hearing was held at 1:05 p.m. on October 26, 2020, to determine whether the Petitioner's application for approval of the plan for acquisition of control of Southern Fire & Casualty Company should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) Sentry Insurance A Mutual Company, located at 1800 North Point Drive, Stevens Point, WI (the Petitioner), is a Wisconsin domestic mutual insurance company.

(2) Southern Fire & Casualty Company, located at One QBE Way, Sun Prairie, WI is a Wisconsin domestic stock insurance company.

(3) The Petitioner filed with the Office of the Commissioner of Insurance (Commissioner) an application for approval of the acquisition of control of Southern Fire & Casualty Company (the "Plan").

(4) The Petitioner was served with a Notice of Hearing.

(5) The Petitioner fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(6) The plan will not violate the law or be contrary to the interest of the insureds of Southern Fire & Casualty Company or of the Wisconsin insureds of any participating nondomestic corporation.

(7) After the acquisition of control, Southern Fire & Casualty Company will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(8) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(9) The financial condition of the Petitioner is not likely to jeopardize the financial stability of Southern Fire & Casualty Company or to prejudice the interests of its Wisconsin policyholders.

(10) There are no plans or proposals to make significant changes to senior management or the employees of Southern Fire & Casualty Company, or to request an extraordinary dividend, to liquidate, to sell its assets, or to consolidate or merge with any person, or to materially change the current operations (other than as disclosed in the Form A filing and Exhibits). The Petitioner's plans, after acquiring the voting shares, as described by the Petitioner, are fair and reasonable to the policyholders of Southern Fire & Casualty Company and in the public interest.

(11) The competence and integrity of the persons who will control the operation of Southern Fire & Casualty Company are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

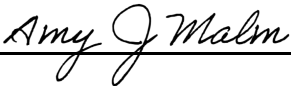
(12) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(13) The Petitioner's request for approval of the plan for the acquisition of control of Southern Fire & Casualty Company should be approved.

Dated at Madison, Wisconsin, this 26th day of October, 2020.



Amy J. Malm
Hearing Examiner