

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER AMERICAN  
UNDERWRITERS INSURANCE COMPANY  
and AMC RE, INC.**

**A.I.D. NO. 2011-043**

**ORDER**

Now on this day, the matter of American Underwriters Insurance Company and AMC Re, Inc. (collectively "Companies"), comes before Jay Bradford, Insurance Commissioner of the State of Arkansas ("Commissioner"). The Arkansas Insurance Department ("Department") is represented by Associate Counsel, Amanda Capps Rose. From the facts and matters before him, the Commissioner finds as follows:

**FINDINGS OF FACT**

1. The Commissioner has jurisdiction over the parties and subject matter herein pursuant to Ark. Code Ann. §§ 23-61-103, 23-63-501, *et seq.*, and other provisions of the Arkansas Insurance Code.
2. American Underwriters Insurance Company, NAIC No. 10251, is an Arkansas domestic insurer authorized to transact property and casualty insurance business in the State of Arkansas.
3. AMC Re, Inc., NAIC No. 12884, is a captive domiciled in Arkansas and authorized to transact reinsurance business in the State of Arkansas.
4. The Companies current parent company is American Management Corporation. On May 26, 2011, the Companies' legal counsel submitted correspondence describing a proposed transaction as follows:
  - a. The Companies are currently indirect subsidiaries of Crum & Forster Holdings Corporation ("Crum & Forster").

b. Following the transaction, the Companies will be direct subsidiaries of Crum & Forster, with Crum & Forster being the direct parent of American Management Corporation

5. In the May 26, 2011 correspondence from the Companies' legal counsel, the Companies requested an exemption from the requirements of Ark. Code Ann. §§ 23-63-506 – 23-63-513.

6. The Commissioner or his representatives have reviewed the proposed transaction, including the organizational structure, as it affects the Companies, both prior to and following the proposed transaction.

7. The Commissioner finds that the proposed transaction will not change or influence the control of the Companies by American Management Corporation

### **CONCLUSIONS OF LAW**

Based upon the above and foregoing Findings of Fact and the evidence before him, the Commissioner concludes as follows:

8. The Companies are subject to the Insurance Holding Company Regulatory Act ("Act"), Ark. Code Ann. §§ 23-63-501, *et seq.* Pursuant to the Act and Department Rule 15, a detailed filing is required for any change of control or merger with a domestic insurer. Additionally, the Act and Department Rule 15 require the Commissioner's prior approval of any such transaction following a hearing on the matter.

9. The Act provides, in pertinent part, as follows:

The provisions of §§ 23-63-506 -- 23-63-513 shall not apply to: [...]

(3) Any offer, request, invitation, agreement, or acquisition which the commissioner, by order, shall exempt therefrom as:

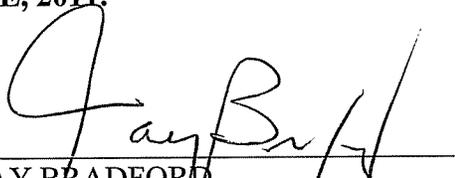
(A) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer.

Ark. Code Ann. § 23-63-507(3)(A).

10. Based upon the findings stated above and applicable provisions of the Act, because the transaction was not made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer, the requested exemption from the requirements of Ark. Code Ann. §§ 23-63-506 -- 23-63-513 should be granted.

11. It is hereby **ORDERED** that the Companies are exempt from the requirements of Ark. Code Ann. §§ 23-63-506 -- 23-63-513 pursuant to Ark. Code Ann. § 23-63-507(3)(A).

**IT IS SO ORDERED ON THIS 24th DAY OF JUNE, 2011.**

  
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JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS