

FORM A – INSTRUCTIONS  
FOR APPLICATION FOR APPROVAL OF ACQUISITION OF  
CONTROL OF OR MERGER WITH A DOMESTIC INSURER  
PURSUANT TO § 38.2-1323 OF THE CODE OF VIRGINIA.

[Note: The following form and instructions pertain to rules regarding Insurance Holding Companies at **14 VAC 5-260** of the Virginia Administrative Code issued by the Virginia State Corporation Commission for entities subject to regulation through the Bureau of Insurance.]

**I. Regulation as to Use of Form A.**

(1) Form A shall be used by an applicant required to file an application with the Commission pursuant to § 38.2-1323 of the Code of Virginia. Subsequent amendments shall also be filed on Form A, but shall include on the top of the cover "Amendment No. .... to" and shall indicate the date of the amendment and not the date of the original filing.

(2) Form A and all amendments, attachments or exhibits thereto shall be filed with the Clerk of the Commission.

(3) Information required by and filed in the format of Form A shall be open for public inspection at the offices of the Clerk of the Commission during the pendency of the application.

(4) An Applicant may request in writing that specific data or documents be treated as confidential. The applicant's request shall be in the form of a motion for a protective order filed with the Clerk's Office and stating the grounds why the data or documents should be treated as confidential. A copy of the motion together with the data or documents for which confidentiality is being requested shall be addressed and delivered to the Commissioner of Insurance, State Corporation Commission - Bureau of Insurance, P.O. Box 1157, Richmond, VA 23218 (Tyler Building - 6th Floor, 1300 East Main Street, Richmond, VA 23219).

Confidentiality may be requested pursuant to § 38.2-1333 of the Code of Virginia for specific data or documents incorporated by reference or described as exhibits attached to and filed with the Form A application. Information required by and filed in the format of Form E also shall be given confidential treatment as though such filings were subject to § 38.2-1333 of the Code of Virginia.

Confidentiality of certain information will also be recognized pursuant to § 38.2-1324 A 2 of the Code of Virginia also if requested by a written motion filed with the Commission.

In addition and pursuant to § 38.2-1306 of the Code of Virginia, no document which is determined to be a special report shall be open to public inspection.

No information shall receive confidential treatment if its omission from the Form A makes the Form A misleading, incomplete, unclear or confusing. Notwithstanding other provisions to the contrary, nothing contained in this regulation shall prevent or be construed as prohibiting the Commission from disclosing otherwise confidential information, administrative or judicial

orders, or the content of any analysis or any matter related thereto, to the insurance regulatory officials of any state or country, or to law-enforcement officials of this or any other state or agency of the federal government at anytime provided that those officials are required under their law to maintain its confidentiality.

**II. Preparation of Application.** This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the application. The application shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers thereto are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

### **III. Number of Copies; Signatures.**

(1) The original and 15 copies of each application, and any amendments thereto, shall be filed with the Commission by personal delivery or mail addressed to: The Clerk of the Commission, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218 (Tyler Building, 1300 East Main Street, Richmond, VA 23219). A copy of the transmittal letter should be delivered or mailed to the Deputy Commissioner, Financial Regulation Division, State Corporation Commission - Bureau of Insurance, P.O. Box 1157, Richmond, VA 23218 (Tyler Building - 6th Floor, 1300 East Main Street, Richmond, VA 23219)

(2) The original and 15 copies of exhibits and or all other papers or documents required by or described as attached to the Form A application shall be filed also through the Clerk of the Commission unless prior to filing the applicant requests and receives the written approval of the Commission (i) to file fewer copies of an exhibit or attachment or (ii) to designate as confidential any data, exhibit, attachment or document which is to be filed and considered in connection with an insurer's Form A application.

(3) Applications and exhibits filed electronically in accordance with 5 VAC 5-20-20, 5 VAC 5-20-140, 5 VAC 5-20-150 and 5 VAC 5-20-170 of the Virginia Administrative Code, are exempt from the copy requirements set forth in paragraphs (1) and (2) above.

(4) At least one copy of each application filed with the Commission shall be manually signed in the manner prescribed by this form. Unsigned copies shall be conformed.

(5) If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the application.

### **IV. Requirements as to Printing and Language.**

(1) Statements should be prepared on paper 8 1/2"x11" in size and preferably bound at the top or the top left-hand corner. All pages should be sequentially numbered. Exhibits and

financial statements, unless specifically prepared for the filing, may be submitted in their original size.

(2) All copies of any statements, papers or documents shall be clear, easily readable and suitable for photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

(3) All statements and documents filed electronically are to be made in portable document format (PDF) pursuant to 5 VAC 5-20-150 of the Virginia Administrative Code.

(4) Statements shall be in the English language and monetary values shall be stated in United States currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

(5) Any amendments to the application that include the refiling of original documents in their entirety shall be "red-lined" or otherwise marked to reflect all changes made by the amendment.

## **V. Additional Information and Exhibits.**

(1) In addition to the information expressly required to be included in the application, there shall be added such further material information, if any, as may be necessary to make the information contained therein not misleading.

(2) The applicant may file such exhibits as it may desire in addition to those expressly required by the statement. Such exhibits shall be so marked as to indicate clearly the subject matters to which they refer.

(3) No statement required by this application shall be deemed filed with the Commission until on the date all such material required and sufficient to constitute a full statement has been provided.

**VI. Information Unknown or Not Available.** Information required need be given only insofar as it is known or reasonably available to the person filing the statement. If any required information is unknown and not reasonably available to the person filing, either because the obtaining thereof would involve unreasonable effort or expense, or because it rests peculiarly within the knowledge of another person not affiliated with the person filing, the information may be omitted, subject to the following conditions:

(1) The applicant shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense, together with the sources thereof; and

(2) The applicant shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information.

## **VII. Incorporation by Reference.**

(1) Information required by any item of this application may be incorporated by reference in answer or partial answer to any other item.

(2) Information contained in a statement filed pursuant to the Securities Act of 1933, the Securities Exchange Act of 1934 or disclosure and information contained in any financial statement, annual report, proxy statement, any other document filed with a governmental authority, or any other document may be incorporated by reference in any answer or partial answer to any item of this application, provided such information substantially satisfies the requirements of this application and copies of all documents containing such information are attached as exhibits to this application. Excerpts of documents may be filed as exhibits if the documents are extensive.

(3) Material incorporated by reference shall be clearly identified in the reference. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the application where the information is required. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear or confusing.

(4) Documents incorporated by reference which are currently on file with the Commission and which were filed within three years need not be attached as exhibits unless the Commission specifically requests otherwise. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that such material is to be incorporated by reference in answer to the item. The Commission may at any time in its discretion require the filing of copies of any omitted documents.

**VIII. Summaries or Outlines of Documents.** Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document. In addition to such statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the Commission which was filed within three years and may be qualified in its entirety by such reference.

**IX. Omission of Substantially Identical Documents.** In any case where two or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, the person filing need file a copy of only one of such documents with a schedule identifying the omitted documents and setting forth the material details in which cited documents differ from filed documents. The Commission may at any time in its discretion require the filing of copies of any omitted documents.

**X. Extension of Time for Furnishing Information.** If it is impractical to furnish any required information, document or report at the time it is required to be filed, the applicant may file with the Commission as a separate document an application (i) identifying the information, document or report in question, (ii) stating why the filing thereof at the time required is impracticable, and (iii) requesting an extension of time for filing the information,

document or report to a specified date. The request for extension shall be deemed granted unless the Commission, within 30 days after receipt thereof enters an order denying the request.

**APPLICATION FOR APPROVAL OF ACQUISITION OF  
CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

filed with the

**STATE CORPORATION COMMISSION  
COMMONWEALTH OF VIRGINIA**

DATE: \_\_\_\_\_

\_\_\_\_\_  
Name of Domestic Insurer (Insurer)

\_\_\_\_\_  
NAIC No.

by

\_\_\_\_\_  
**Name of Acquiring Person (Applicant)**

\_\_\_\_\_  
NAIC No.

\_\_\_\_\_  
State of Domicile

Name, Title, Address and Telephone Number of Individual to Whom Notice and  
Correspondence Concerning this Statement Should be Addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FORM A**

**ITEM 1. INSURER AND METHOD OF ACQUISITION**

State the name and address of the domestic insurer to which this application relates and a brief description of the method by which control is to be acquired and maintained. Identify any affiliate of the Applicant or Insurer that will play an intermediate role in the acquisition or maintenance of control by Applicant.

**ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

- (a) State the name and address of the Applicant seeking to acquire control over the Insurer.
- (b) If the Applicant is not an individual, state the nature of its business operations for the past five 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.

- (c) If the Applicant is not an individual, identify all persons who directly or indirectly own, control, hold with power to vote, or hold proxies representing collectively ten percent or more of the voting securities of the Applicant. For each such person state whether a disclaimer of affiliation has or will be filed with the Commission pursuant to § 38.2-1329 I of the Code of Virginia. State also the basis for disclaiming the affiliation.
- (d) Furnish a chart or listing clearly presenting the identities of the inter-relationships among the Applicant and all affiliates of the Applicant and with any third party through whom the Applicant intends to acquire, maintain or exercise control of the Insurer. The relationships of the holding company group to the ultimate parent (even if such parent is outside the reported holding company) should be shown. Show the Federal Employer's Identification No. for each listed person. Also identify each insurer as such and show its NAIC Company Code. Indicate in such chart or listing the percentage of voting securities of each 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 or other jurisdiction 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.

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

- (a) State the following with respect to (1) the Applicant if (s)he is an individual or (2) all persons who are directors, executive officers or owners of ten percent (10%) or more of the voting securities of the Applicant if the Applicant is not an individual.
  - i. Name and business address;
  - ii. 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;
  - iii. Material occupations, positions, offices or employment during the last five 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 therewith.

- iv. Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.
- (b) If the applicant is a partnership, limited partnership, syndicate or other group, the Commission may require additional information, pursuant to § 38.2-1324 of the Code of Virginia, concerning any partner, member or person in the group and any officer, corporate director, or beneficial owner of more than ten percent of the outstanding voting securities of the corporation if the applicant is a corporation.

#### **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 (including but not limited to interest, and principal repayments), 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, and proposed manner and method of repayment.
- (b) Explain the criteria used in determining the nature and amount of such consideration.
- (c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the Applicant wishes the identity of the lender to remain confidential, he must specifically request that the identity be kept confidential.
- (d) If the acquisition of control involves a management agreement or other contract services, give a full description of such agreement, contracts, arrangements or understanding, including all provisions pertaining to compensation or termination under the agreement.

#### **ITEM 5. FUTURE PLANS OF INSURER**

- (a) Describe any plans or proposals which the Applicant may have to declare an extraordinary dividend, to liquidate the Insurer, to sell its 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.
- (b) Describe Applicant's operational plans for the domestic insurer covering the succeeding 24 months, including, but not limited to, change of location, change of name, increase in capital and/or surplus, type of business to be written, and anticipated premium volume.

For the Insurer, provide the full name of any new director or officer to be employed as a result of the reported acquisition of control and provide the information specified in Item 3(a) of this Form A. Describe also any financial or employment guarantees given to present or contemplated management.

- (c) Describe any other arrangement or agreement, oral or written, entered into by the Applicant, an acquiring party or any of their affiliates and the domestic insurer during the immediately preceding 12 months.

## **ITEM 6. COMPETITION**

- (a) State whether the proposed acquisition or merger
- i. Involves only insurers which individually and collectively hold five percent (5.0%) or less of all markets in which such insurers transact business and will not produce, as a direct or indirect result of merger or acquisition, an insurer or collection of involved insurers which hold five percent (5.0%) or more of any market;
  - ii. Is primarily other than an insurance transaction and is either an acquisition of a person by another person, or a merger of two persons, neither of which is directly, or through their affiliates, primarily engaged in the business of insurance;
  - iii. Is a transaction in which there will be no increase in any market share held by any involved insurer;
  - iv. Involves insurers which are authorized solely to write ocean marine insurance and which do not anticipate future requests for additional or other licensing authority in this Commonwealth.
- (b) If any one of the foregoing statements is answered in the affirmative, the Applicant may proceed to Item 7. Otherwise, the Applicant shall complete and file the information required by Form E in the format designated on that form as specified in the instructions of that form, which are a part of this regulation.

For purposes of this question, "market" means direct written insurance premium in this Commonwealth for a line of business as contained in the annual statement required to be filed by insurers licensed to do business in this Commonwealth; and the term "insurer" includes any company or group of companies under common management, ownership or control.

## **ITEM 7. VOTING SECURITIES TO BE ACQUIRED**

State and describe the number of shares of the Insurer's voting securities which the Applicant, its affiliates and any person listed in Items 1 or 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and provide a statement as to the method by which the fairness of the proposal was determined.

## **ITEM 8. 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.

## **ITEM 9. 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 such contracts, arrangements or understandings have been made.

## **ITEM 10. 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 Application. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefore. State whether any such shares so purchased are pledged or hypothecated.

## **ITEM 11. RECENT RECOMMENDATIONS TO PURCHASE**

Describe any recommendations to purchase any voting security of the insurer made during the 12 calendar months preceding the filing of this statement 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.

## **ITEM 12. 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.

### **ITEM 13. LITIGATION OR ADMINISTRATIVE PROCEEDINGS**

Provide a brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the Applicant, the ultimate controlling person and/or any intermediate acquiring party or any of their directors or executive officers was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which such litigation or proceeding is or was pending;

- (a) criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and
- (b) proceedings which may have a material effect upon the solvency or capital structure of the Applicant, ultimate controlling person and/or any intermediate acquiring party including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

An "intermediate acquiring party" is any third party through whom the Applicant intends to acquire, maintain or exercise control of the Insurer.

### **ITEM 14. FINANCIAL STATEMENTS AND EXHIBITS**

- (a) Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.
- (b) The financial statements shall include the annual financial statements of the persons identified in Item 2(d) for the preceding five 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 such information is available. Such statements may be prepared on either an individual basis, or, unless the Commission otherwise requires, on a consolidated basis if such 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 year then ended, 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 Commission may determine that the financial statements need not be certified, provided they are based on the Annual Statement of such person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state. Unless the Commission provides otherwise, all other annual financial statements required hereunder also shall be certified.

- (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 two fiscal years, and any additional documents or papers required by Form A.

**ITEM 15. SIGNATURE AND OATH**

Signature and oath shall be in the following form:

**SIGNATURE**

Pursuant to the requirements of § 38.2-1324 of the Code of Virginia and 14 VAC 5-260 of the Virginia Administrative Code, \_\_\_\_\_, Applicant, has caused this application to be duly signed on its behalf in the City/County of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL)

By: \_\_\_\_\_  
 (Name) (Title)

Attest:  
 \_\_\_\_\_  
 (Signature of Officer)

Title: \_\_\_\_\_

**OATH**

The undersigned deposes and says that (s)he has duly executed the attached application dated \_\_\_\_\_, 20\_\_, for and on behalf of \_\_\_\_\_, that (s)he is the (name of Applicant company) \_\_\_\_\_ of such company; and that (s)he has the authority to (title of officer)

execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his(her) knowledge, information and belief.

\_\_\_\_\_

(Signature)

\_\_\_\_\_  
(Type or print name beneath signature)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public in and for the  
City/County of \_\_\_\_\_  
State of \_\_\_\_\_

My commission expires on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.