

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY)
RUTGERS ENHANCED INSURANCE)
COMPANY FOR AN EXEMPTION FROM)
THE FILING AND PUBLIC HEARING) ORDER
REQUIREMENTS OF THE INSURANCE)
HOLDING COMPANY SYSTEMS ACT,)
N.J.S.A. 17:27A-1 ET SEQ.)

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“the Commissioner”) pursuant to N.J.S.A. 17:1C-1 et seq., and 17:27A-1 et seq., and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2d provides for the Commissioner’s approval of any merger or other acquisition of control of a domestic insurer after holding a public hearing; and

IT FURTHER APPEARING that N.J.S.A. 17:27A-2f(2)(a) provides an exemption to N.J.S.A. 17:27A-2 when an offer, request, invitation, agreement or acquisition is made, which the Commissioner by Order shall find as 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; and

IT FURTHER APPEARING that Rutgers Enhanced Insurance Company (“Rutgers Enhanced” or “the insurer”), a New Jersey-domiciled stock property/casualty insurer, is directly wholly-owned by Rutgers Casualty Insurance Company (“Rutgers Casualty”), a New Jersey-domiciled stock property/casualty insurer, which is directly owned by American European Insurance Company (“AEIC”), a New Hampshire-domiciled insurer, which is indirectly wholly-owned by American European Group, Inc. (“AEG”), a Delaware-domiciled holding company

which, in turn, is owned 57.34 percent (57.09 percent post-transaction) by HSI Partnership and 10.21 percent (10.09 percent post-transaction) by Diaco Investments, LP; and

IT FURTHER APPEARING that, in response to recommendations from the Department of Banking and Insurance (“Department”) regarding Rutgers Casualty’s compliance with various investment requirements under N.J.S.A. 17:24-1(g), Rutgers Casualty will dividend Rutgers Enhanced to AEIC so that AEIC will be the direct controlling entity of Rutgers Enhanced, with no other change of control; and

IT FURTHER APPEARING that, after the transaction, AEG, HSI Partnership and Diaco Investments, LP will continue to be the ultimate controlling entities of Rutgers Enhanced; and

IT FURTHER APPEARING that this transaction is an intrasystem corporate restructuring that is not being made or entered into for the purpose, and will not have the effect, of changing or influencing the control of the insurer; and

IT FURTHER APPEARING that the Department has reviewed the documents submitted in support of this request and, based upon that review, has determined that the parties may be exempted from the filing and public hearing requirements of N.J.S.A. 17:27A-2, upon finding that the provisions of N.J.S.A. 17:27A-2f(2) are applicable to this transaction;

THEREFORE, IT IS on this 19th day of October, 2015,

ORDERED that:

Based upon the finding that the proposed transaction involves an intrasystem reorganization that has no effect on the ultimate control or ownership of the insurer, this transaction is hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 et seq. in accordance with N.J.S.A. 17:27A-2f(2).



Richard J. Badolato
Acting Commissioner

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