

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY )  
IAT INSURANCE GROUP, INC. FOR AN )  
EXEMPTION FROM THE FILING AND )  
PUBLIC HEARING REQUIREMENTS OF ) ORDER  
THE INSURANCE HOLDING COMPANY )  
SYSTEMS ACT, N.J.S.A. 17:27A-1 TO -14. )

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“the Commissioner”) pursuant to N.J.S.A.17:27A-1 to -14, and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2(d) 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-2(f)(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 International Fidelity Insurance Company (“IFIC”) a New Jersey-domiciled property and casualty insurance company is currently directly wholly-owned by TransGuard Insurance Company of America, Inc. (“TransGuard”), an Illinois domiciled insurance company; which, in turn, is directly wholly-owned by IAT Insurance Group, Inc. (“IAT”), a privately owned, specialty insurance group; and

IT FURTHER APPEARING that IAT also directly wholly-owns Harco National Insurance Company (“Harco”), an Illinois domiciled insurance company; and

IT FURTHER APPEARING that IAT intends to restructure its holding company system whereby IFIC will continue to be directly wholly-owned by TransGuard, which, in turn, will be directly wholly-owned by Harco, which in turn will be directly wholly-owned by IAT; and

IT FURTHER APPEARING that after the transaction, IFIC will continue to be wholly-owned by TransGuard, which, in turn, will continue to be ultimately indirectly owned and controlled by IAT; 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 IFIC; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“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-2(f)(2) are applicable to this transaction;

THEREFORE, IT IS on this 7<sup>th</sup> day of May, 2019, 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 IFIC, this transaction is hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 to -14 in accordance with N.J.S.A. 17:27A-2(f)(2).

  
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Marlene Caride  
Commissioner

Jd 2f exemption IFIC/orders