

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY)
BUILDERS INSURANCE (A MUTUAL)
CAPTIVE COMPANY) FOR AN)
EXEMPTION FROM THE FILING AND) ORDER
PUBLIC HEARING REQUIREMENTS OF)
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 (“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 Bondex Insurance Company (NAIC Company Code: 12965), a New Jersey domiciled property and casualty insurer (“Domestic Insurer”) is a direct wholly-owned subsidiary of Bondex Insurance Group, Inc., a New Jersey corporation, which, in turn, is a direct wholly-owned subsidiary of Builders Insurance Group, Inc. (“Builders Group”), which, in turn, is a direct wholly owned subsidiary of Builders Insurance (a Mutual Captive Company), a Georgia domiciled mutual insurance company (“Builders Insurance”); and

IT FURTHER APPEARING that, Builders Insurance intends to reorganize into a mutual insurance holding company system pursuant to Chapter 13A of Title 33 of the Official Code of Georgia, upon the terms and conditions set forth in a Reorganization Plan, dated September 29, 2022 (the “Reorganization”), which was filed with the Honorable John F. King, Georgia Commissioner of Insurance, Office of Insurance and Fire Safety on September 30, 2022; and

IT FURTHER APPEARING that the Reorganization will result in (a) conversion of Builders Insurance into a Georgia stock association captive insurance company (“Converted Builders Insurance”); (b) Membership Interests of policyholders in Builders Insurance will be converted into Membership Interests in Builders Insurance Mutual Holding Company (“New Mutual Holding Company”), and all Membership Interests in Builders Insurance will be extinguished; (c) Builders Insurance Intermediate Holding Company (“New Intermediate Holdco”) will be issued 100% of the initial shares of the capital stock of Converted Builders Insurance; and (d) Builders Insurance Mutual Holding Company will be issued 100% of the initial shares of the capital stock of Builders Insurance Intermediate Holding Company; and

IT FURTHER APPEARING that the Domestic Insurer will continue to be wholly-owned direct subsidiary of Bondex Insurance Group, Inc., which, in turn, will continue to be a direct wholly-owned subsidiary of Builders Group, which, in turn, will be a direct wholly-owned subsidiary of Converted Builders Insurance, which will be renamed Builders Insurance (an Association Captive Company), which, in turn, will be a direct wholly-owned subsidiary of New Intermediate Holdco, which, in turn, will be a direct wholly-owned subsidiary of New Mutual Holding Company; and

IT FURTHER APPEARING that this transaction was entered into for the purpose of reorganizing Builders Insurance into a mutual insurance holding company system and was not

made or entered into for the purpose, and will not have the effect, of changing or influencing the control of Domestic Insurer; and

IT FURTHER APPEARING that the New Jersey Department of Banking and Insurance (“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; and

WHEREAS, Order No. A22–05 In the Matter of the Acquisition of Control of Bondex Insurance Company by Builders Insurance Group, Inc. and Builders Insurance (A Mutual Captive Company) (“Order A22–05”) approved the acquisition of control of Domestic Insurer subject to certain conditions set forth therein (“Order A22–05 Conditions”); and

WHEREAS, Builders Insurance Intermediate Holding Company has executed a corporate resolution agreeing to abide to Order A22–05 Conditions, in their entirety; and

WHEREAS, Builders Insurance Mutual Holding Company, once formed, will execute a corporate resolution agreeing to abide to the Order A22-05 Conditions, in their entirety, prior to Builders Insurance Intermediate Holding Company issuing its stock to Builders Insurance Mutual Holding Company; and

WHEREAS, this Order supplements Order No. A22–05, and in no way alters its requirements, rather it extends the obligations set forth therein to Builders Insurance Mutual Holding Company and Builders Insurance Intermediate Holding Company; and

THEREFORE, IT IS on this 23 day of November, 2022, ORDERED that:

Based upon the finding that the proposed transaction involves a reorganization that has no effect on the ultimate control or ownership of the Domestic Insurer, 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), subject to the Reorganization being approved by the Georgia Commissioner of Insurance, Office of Insurance and Fire Safety and not materially changed from the Reorganization Plan, dated September 29, 2022.



Marlene Caride
Commissioner