

IN RE YORK INSURANCE]	
COMPANY OF MAINE]	ORDER ON HOLDING
]	COMPANY RESTRUCTURING
DOCKET NO. INS-01-2556]	

On December 4, 2001, OneBeacon Insurance Group LLC (the "Applicant"), a Delaware limited liability company filed notice with the Superintendent, pursuant to 24-A M.R.S.A. § 222(4-A)(A) & (4-B) and Bureau of Insurance Rule 180, §§ 10 through 12, of its intent to acquire all the shares of OneBeacon Insurance Company (the "Parent Insurer"), a Pennsylvania stock insurer which indirectly owns 100% of York Insurance Company of Maine, a Maine stock insurer.

The Applicant has requested that the Superintendent exempt this transaction from review under the Maine Holding Company Act pursuant to 24-A M.R.S.A. § 222(4-A), which authorizes an exemption upon a determination "that the interests of the State in regulating that transaction are minimal relative to the interests of other jurisdictions or are minimal relative to the impact of the transaction as a whole, provided that it does not appear likely that exempting the transaction from the application of this section will be detrimental to the interests of Maine policyholders."

As described in the Form A filing, the proposed transaction is an internal restructuring within the White Mountains Insurance Group holding company system. The effect is to substitute the Applicant for OneBeacon Corporation (the "Stock Company"), a Delaware business corporation which currently owns all the shares of the Parent Insurer. Both the Applicant and the Stock Company are wholly-owned direct subsidiaries of Fund American Companies, Inc., a Delaware business corporation which is a wholly-owned indirect subsidiary of White Mountains Insurance Group, Ltd., a Bermuda Corporation. The mechanism for the transfer will be the merger of the Stock Company into Fund American, followed by the contribution of the Stock Company's former assets to the Applicant.

The managers of the Applicant are the current directors of the Stock Company. The Applicant represents that the ownership and management of Fund American and its parent entities will be unchanged, and so will the ownership and management of the Parent Insurer and its subsidiary entities, including York Insurance Company of Maine, the domestic company which is the subject of the Form A filing. Moreover, the proposed transaction is also subject to review in Pennsylvania, the domicile of the Parent Insurer, and in Massachusetts, the domicile of OneBeacon America Insurance Company, the immediate parent of York Insurance Company of Maine.

Thus, having reviewed the Applicant's Form A filing, I find that the interests of the State in regulating this transaction are minimal relative to the interests of other jurisdictions and are minimal relative to the impact of the transaction as a whole, and that it does not appear likely that exempting the transaction from further review under the Maine Holding Company Act will be detrimental to the interests of Maine policyholders.

Therefore, the Applicant's request for exemption is hereby *GRANTED*, and no hearing on this application shall be held.

Notice of Right to Hearing

This Decision and Order is an agency action taken without hearing pursuant to 5 M.R.S.A. § 9053(1). It is not directly appealable to the Superior Court: within thirty days after receiving notice of this Order, any aggrieved person whose interests are substantially and directly affected by the Superintendent's decision may request an adjudicatory hearing before the Superintendent in the manner provided in 24-A M.R.S.A. § 229(3) (2000). A request for hearing does not trigger an automatic stay; application for stay may be made in the manner provided in 5 M.R.S.A. § 11004.

PER ORDER OF:

DECEMBER 18, 2001

ALESSANDRO A. IUPPA
SUPERINTENDENT OF INSURANCE