



**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE**

IN THE MATTER OF:

**THE ACQUISITION OF OAKWOOD INSURANCE
COMPANY BY THIRD POINT REINSURANCE LTD.
AND YOGA MERGER SUB LIMITED**

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) **No.: 21-016**
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ORDER APPROVING PLAN OF ACQUISITION

On the 9th day of February, 2021, a public hearing was held before the Commissioner of the Department of Commerce and Insurance of the State of Tennessee (the “Commissioner”) to consider the proposed Form A Statement filed by Third Point Reinsurance Ltd. (“TPRE”) and Yoga Merger Sub Limited (“Merger Sub” and, together with TPRE, the “Applicants”) to acquire control of Oakwood Insurance Company (the “Domestic Insurer”).

These Findings of Fact and Conclusions of Law are issued based on the Form A Statement as filed and supplemented with the Tennessee Department of Commerce and Insurance (the “Department”) and the record of the public hearing.

FINDINGS OF FACT

1. The Domestic Insurer is a Tennessee domestic insurance company in runoff that is authorized to sell property, casualty, and surety insurance in Tennessee. The Domestic Insurer ceased writing new property and casualty business in 2000 and, as of 2007, has no remaining in-force policies.

2. The Domestic Insurer is an indirect, wholly owned subsidiary of Sirius International Insurance Group, Ltd., a Bermuda exempted company limited by shares and a publicly traded insurance holding company (“Sirius”).

3. The Domestic Insurer’s principal place of business is located at 628 Hebron Avenue, Suite 106, Glastonbury, Connecticut 06033-5018. In 2016, the Domestic Insurer received a waiver from the Commissioner pursuant to Tenn. Code Ann. § 56-2-104(a)(3)(C) of the requirement to maintain its principal place of business in this state based on the fact that it was in runoff and not actively engaging in the business of insurance.

4. TPRE is a Bermuda exempted company limited by shares and a publicly traded insurance holding company.

5. Merger Sub is a Bermuda exempted company limited by shares and a direct, wholly owned subsidiary of TPRE.

6. The Applicants electronically filed a Form A Statement and a Form E Pre-Acquisition Notification with the Department on September 4, 2020, in accordance with Bulletin 20-06 issued by the Department on April 13, 2020. The Form A Statement and the Form E Pre-Acquisition Notification (as supplemented after filing) relate to the proposed acquisition of control of the Domestic Insurer by the Applicants, which is part of a broader merger transaction (the “Merger Transaction”) governed by the terms and conditions set forth in an Agreement and Plan of Merger, dated as of August 6, 2020 (the “Merger Agreement”), by and among the Applicants and Sirius.

7. The Merger Transaction will be accomplished by Merger Sub merging with and into Sirius, with Sirius continuing as the surviving corporation and a wholly owned subsidiary of TPRE. Therefore, upon the effective time of the Merger Transaction, TPRE will indirectly acquire

one hundred percent (100%) of the outstanding voting securities of, and will thus control, the Domestic Insurer (the “Proposed Acquisition”). Further, as described in the Form A Statement, pursuant to the terms of the Merger Agreement and certain other agreements contemplated thereby, no individual or entity will be in a position to exercise more than nine and nine-tenths percent (9.9%) of the voting power in TPRE and, therefore, TPRE will be the ultimate controlling entity of the Domestic Insurer. Following the effective time of the Merger Transaction, Sirius is expected to change its name to “SiriusPoint Ltd.”

8. Notice of the public hearing was provided to the Applicants by the Commissioner on January 21, 2021, pursuant to Tenn. Code Ann. § 56-11-103(d)(2).

9. Notice of the public hearing was provided to the Domestic Insurer by the Applicants on January 22, 2021, which was more than seven (7) days prior to the public hearing, and therefore meets the requirements of Tenn. Code Ann. § 56-11-103(d)(2). A copy of such notice signed on behalf of the Domestic Insurer has been provided to the Department.

10. The Applicants called Ms. Janice Weidenborner, Executive Vice President, Group General Counsel, and Secretary of TPRE, who testified regarding the Proposed Acquisition and the Form A Statement.

11. Sirius and the Domestic Insurer called Mr. Gene Boxer, Chief Strategy Officer and Group General Counsel at Sirius, who testified regarding the Proposed Acquisition.

12. Ms. LoriAnn Davis, Senior Insurance Financial Analyst in the Financial Affairs Section of the Insurance Division of the Department, testified regarding the analysis performed by the Department’s staff in reviewing the Form A Statement and evaluating the Proposed Acquisition pursuant to Tenn. Code Ann. § 56-11-103.

13. Other than those set forth above, no other witnesses testified.

14. On and after the effective date of the Proposed Acquisition, in accordance with the Business Plan submitted to the Department, the Domestic Insurer will continue to operate as a property and casualty insurance company in runoff licensed in Tennessee and will continue to be subject to and governed by the laws of the State of Tennessee.

15. The Applicants have filed with the Commissioner all the materials contemplated and required by Tenn. Code Ann. § 56-11-103 for the Proposed Acquisition.

16. After the Proposed Acquisition has been consummated, the Domestic Insurer will continue to be able to satisfy all requirements for the issuance of a license to engage in the activities for which it is presently licensed.

17. The effect of the Proposed Acquisition will not substantially lessen competition in insurance in this state or tend to create a monopoly in this state.

18. Upon consummation of the Proposed Acquisition, the financial condition of the Applicants will not jeopardize the financial stability of the Domestic Insurer or prejudice the interests of the Domestic Insurer's policyholders.

19. The Applicants have no plans or proposals to liquidate the Domestic Insurer, to sell its assets or to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management that are unfair or unreasonable to the policyholders of the Domestic Insurer or not in the public interest.

20. The competence, experience, and integrity of those persons who would control the operations of the Domestic Insurer following consummation of the Proposed Acquisition are not such that it would be against the interest of the policyholders of the Domestic Insurer or of the public to permit the Proposed Acquisition.

21. The consummation of the Proposed Acquisition and resulting acquisition of control of the Domestic Insurer by the Applicants is not likely to be hazardous or prejudicial to the insurance buying public.

CONCLUSIONS OF LAW

22. Tenn. Code Ann. § 56-11-103(d)(1) provides that the Commissioner shall approve any merger or other acquisition of control of a domestic insurer unless, after a public hearing thereon, the Commissioner finds that:

- (A) After the change of control, the domestic insurer referred to in subsection (a) would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
- (B) The effect of the merger or other acquisition of control would be to substantially lessen competition in insurance in this state or tend to create a monopoly in this state. In applying the competitive standard in this subdivision (d)(1)(B):
 - (i) The informational requirements of § 56-11-104(c)(1) and the standards of § 56-11-104(d)(2) shall apply;
 - (ii) The merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by § 56-11-104(d)(3) exist; and
 - (iii) The commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;
- (C) The financial condition of any acquiring party is such that it might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;
- (D) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the domestic insurer and not in the public interest;

- (E) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or
- (F) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

23. Applying the standards delineated in Tenn. Code Ann. § 56-11-103(d)(1)(A)-(F) to the Proposed Acquisition, as established by the testimony at the public hearing and the filings made in this matter, the Findings of Fact contained herein, and the record taken as a whole, the Proposed Acquisition meets the statutory standards for approval by the Commissioner.

24. Tenn. Code Ann. § 56-2-104(a)(3)(A) provides that a domestic insurer's principal place of business shall be in the State of Tennessee, unless the Commissioner grants a waiver of the principal place of business requirement to the domestic insurer.

ORDER

Accordingly, based upon the above Findings of Fact and Conclusions of Law, it is hereby **ORDERED** that:

1. The Form A Statement, as supplemented by the Applicants, to acquire control of Oakwood Insurance Company is **APPROVED**.
2. Oakwood Insurance Company shall remain a licensed Tennessee property and casualty insurance company in runoff until such time it, with Commissioner approval, elects to commence writing insurance business.
3. Pursuant to Tenn. Code Ann. § 56-2-104(a)(3)(C), the waiver of the requirement for Oakwood Insurance Company to maintain its principal place of business in the State of Tennessee is renewed and continued for so long as Oakwood Insurance Company remains an insurance company in runoff and does not actively write any insurance business in the State of

Tennessee or elsewhere. In the event Oakwood Insurance Company elects to commence writing insurance business, it shall either establish its principal place of business in the State of Tennessee or seek a renewed waiver of the principal place of business requirement.

ENTERED AND EXECUTED February 17, 2021.



Carter Lawrence (Feb 17, 2021 13:22 CST)

Carter Lawrence, Commissioner
State of Tennessee
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:

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