

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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In the Matter of:

PROPOSED ACQUISITION OF CONTROL OF:
PXRE REINSURANCE COMPANY, a
Connecticut domiciled reinsurance company

by

Docket No. EX07-160

Tawa plc., a company incorporated in England and
Wales and WT Holdings, a Delaware holding
company

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ORDER

I, Thomas R. Sullivan, Insurance Commissioner of the State of Connecticut, having read the record of the above captioned matter, do hereby adopt the findings and recommendations of Kathy Belfi, Hearing Officer, which are contained in the attached Proposed Final Decision dated March 19, 2008 and issue the following orders,

TO WIT:

1. The Form A Application of the Applicants in which they seek approval to acquire control of Domestic Insurer be approved.
2. The Applicants and Domestic Insurer shall comply with their commitments as set forth in the Proposed Final Decision.

3. The Applicants shall provide the Insurance Department with written confirmation of the consummation of the acquisition of control by the end of the month the acquisition of control takes place.

4. For a period of two (2) years, the Applicant shall file semiannually with the Insurance Department, commencing six months from consummation of the transaction, a report under oath of its business operations in Connecticut, including but not limited to, any change to the business of the Domestic Insurer; list of commutation activity (insurer, loss reserves commuted and gain/loss on commutation), changes in offices of the Domestic Insurer; charitable contributions made to Connecticut entities; and, notice of any statutory compliance or regulatory actions taken by other state regulatory authorities against the Applicants or the Domestic Insurer.

5. The Applicants should provide the Department with the names and titles of those individuals who will be responsible for filing an amended Insurance Holding Company System Annual Registration Statement pursuant to section 38a-138-10 of the Regulations of Connecticut State Agencies.

6. Within thirty (30) days following the end of the month in which the Proposed Acquisition is consummated, the Domestic Insurer shall file a request for a waiver of the requirements of section 38a-136(i) of the Connecticut General Statutes.

7. Within fifteen (15) days following the end of the month in which the Proposed Acquisition is consummated, the Domestic Insurer shall file an amended Insurance Holding Company System Annual Registration Statement

pursuant to section 38a-138-10 of the Regulations of Connecticut State Agencies.

8. If the Proposed Acquisition is not consummated within three (3) months of the date of this Order and the Applicants intends to consummate the Proposed Acquisition, the Applicants shall submit to the Commissioner a statement, which shall include (1) the reason for the Applicants' inability to consummate the Proposed Acquisition; (2) any material changes in the information contained in the Form A Application; and (3) the current financial statements of the Applicants and the Domestic Insurer.

9. The Domestic Insurer shall meet with the appropriate Insurance Department staff prior to making any material change to its business plan.10.

The Domestic Insurer shall, at all times, maintain their books, records and assets in Edison, New Jersey unless otherwise approved by the Commissioner pursuant to Connecticut Law and consistent with the terms of the Form A Application.

11. The Applicants shall pay expenses incurred by the Insurance Commissioner in connection with the Insurance Department's review of the captioned transaction pursuant to sections 38a-132(a)(3) and 38a-132(c) of the Connecticut General Statutes.

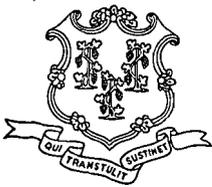
12. The Applicants will use their best efforts to establish a platform in the State of Connecticut by year end 2008, either by means of the acquisition of a Connecticut based insurance company or through the formation of a Tawa management or consulting company in Connecticut.

13. The Applicants will meet with the Connecticut Insurance Department no later than September 30, 2008, to discuss the progress made in establishing such Connecticut platform.

Dated at Hartford, Connecticut, this 19th day of March, 2008

A handwritten signature in cursive script, appearing to read "Thomas R. Sullivan".

Thomas R. Sullivan
Commissioner



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PROPOSED DECISION

I. INTRODUCTION

On November 30, 2007, Tawa plc, a company incorporated in England and Wales ("Tawa") and WT Holdings, Incorporated a Delaware holding company ("WT Holdings" or together with Tawa "Applicant" or "Applicants"), filed an Application on Form A ("Application") with the Connecticut Insurance Department (the "Department") pursuant to section 38a-129 to 38a-140 of the Connecticut General Statutes requesting approval by the Insurance Commissioner of the State of Connecticut ("Commissioner" or "Insurance Commissioner") for the proposed acquisition of control or merger ("Proposed Acquisition") of PXRE Reinsurance Company, a domestic reinsurer organized under the laws of Connecticut ("PXRE RE" or "Domestic Insurer").

The Domestic Insurer is a wholly owned, indirect subsidiary of Argo Group International Holdings, Ltd (“Argo Group”) a Bermuda publicly-traded holding company.

Supplemental information was subsequently requested by the Department and provided by the Applicants. An Amended Application was filed with the Department on January 23, 2008.

The Proposed Acquisition will be effected pursuant to the terms of the Stock Purchase Agreement, (“Agreement”) dated as of November 5, 2007 by and among PXRE Corporation (“PXRE Corporation”) as seller, Argonaut Group, Inc. (“Argonaut”) as seller guarantor, WT Holdings as buyer, and Tawa as buyer guarantor. WT Holdings will acquire the Domestic Insurer, which will become a direct, wholly-owned subsidiary of WT Holdings and an indirect subsidiary of Tawa which owns 100% of the stock of WT Holdings. The purchase price of the Proposed Acquisition is expected to be between \$50 and \$60 million which will be adjusted after the closing. Such adjustment will be based upon the actual balance sheet of the quarter immediately following the quarter in which the transaction closes. The purchase price will be funded by a 50/50 combination of cash and debt. Tawa will provide a capital contribution to WT Holding for the cash portion through one or more of a variation of share offerings. Permanent financing to fund the debt is expected to be in place for the closing and although not expected to be utilized, a bridge loan has been secured in the event the permanent financing cannot be timely completed on commercially acceptable terms.

On February 11, 2008, Insurance Commissioner Thomas R. Sullivan (“Commissioner”) issued a notice of hearing, in which he ordered that a public hearing concerning the application for approval of the Proposed Acquisition of Control of the Domestic Insurer be held on February 28, 2008 to consider the Commissioner granting approval of the proposed acquisition of control of the Domestic Insurer by Applicants. A copy of the notice for this public hearing was published in *The Stamford Advocate* once a week for two consecutive weeks and it was filed with the Office of the Secretary of State. In addition, this notice was posted on the Insurance Department’s internet website. This notice indicated that the entire official record of this proceeding was available for public inspection at the Insurance Department, and that the Department was accepting written statements concerning the proposed acquisition of control of the Insurer. On February 25, 2008, the Applicants submitted the financing documents to the Insurance Department for review and as a result, the Commissioner, on February 25, 2008 ordered that the public hearing be postponed until March 12, 2008 to enable the Insurance Department to review and analyze the submission. A copy of the notice of postponement for this public hearing was published in *The Stamford Advocate* once a week for two consecutive weeks and it was filed with the Office of the Secretary of State. In addition, this notice of postponement was posted on the Insurance Department’s internet website. This notice indicated that the entire official record of this proceeding was available for public inspection at the Insurance Department, and that the Department was accepting written statements concerning the proposed acquisition of control of the Insurer. In

accordance with section 38a-8-48 of the Regulations of the Connecticut State Agencies, the following were designated as parties to this proceeding: the Applicants and the Domestic Insurer.

The following individuals participated in and/or testified at the public hearing on behalf of the Applicant and the Domestic Insurer:

Gilles Marie Jacques Erulin, director and Chief Executive Officer of Tawa and Marvin Mohn, director and President of WT Holdings represented the Applicants.

Byron L. LeFlore, Jr. Esq., represented the Domestic Insurer.

Cynthia R. Shoss, Esq., and Jill Allison Opell, Esq., Dewey & LeBoeuf LLP represented both of the Applicants.

The following Department staff participated in the public hearing:

Beth Cook, Esq., Counsel, and Lynn Hein, Supervisory Examiner, Financial Analysis & Compliance.

Pursuant to the published hearing notice, the public was given an opportunity to speak at the hearing or to submit written comments no later than the close of business on March 10, 2008, by an Order dated February 25, 2008. No public officials or members of the public signed up to speak, spoke at the hearing, or submitted written testimony.

II. FINDINGS OF FACT

After reviewing the exhibits entered into the record of this proceeding, and based on the written and oral testimony of the witnesses, the undersigned makes the following findings of fact:

1. Tawa is a publicly traded company listed on the AIM market in London. At the time of application, the principal business address of Tawa was 3 Minster Court, Mincing Lane, London, England EC3R 7DD.

2. Effective March 17, 2008, Tawa's principal business address is The Isis Building, 193 Marsh Wall, London, E14 9SG.

3. Tawa was formed in 2001 with financial backing from Financière Pinault, ("Fin P") a privately held diversified French based holding company that also operates under the business name Groupe Artemis.

4. Tawa was formed to acquire and manage the run-off of insurance companies and portfolios of policies and to provide run-off related services.

5. Tawa was formerly known as Tawa UK Limited until 2007 when it was listed on the AIM market and changed its name to Tawa plc.

6. Tawa was formed around a group of senior corporate finance, restructuring, legal and regulatory professionals, all of whom were previously employed at PricewaterhouseCoopers, with extensive experience in the run-off field.

7. Tawa currently employs 90 employees, all of whom are located in London, England, many of whom are insurance professionals with additional specialist skills covering run-off claims management and inspections, communications, asset and liability management, actuarial and change management.

8. Tawa's strategy is to maintain a diversified run-off platform over time by managing a group of run-off companies at different stages of maturity.

9. Tawa's focus has been on reinsurance portfolios.

10. Tawa also provides some run-off consulting services, such as reviewing business plans and recommending more efficient processes, reviewing underwriting processes and data analysis and data extraction to assist in the reporting of statutory returns to third parties. These include Mitsui Sumitomo Insurance (London Management) Ltd., St. Paul Travelers and Miller Insurance Services Ltd.

11. As of December 31, 2006, Tawa reported total assets of \$147.0 million, total liabilities of \$4.5 million and total equity (attributable to equity holders) of \$142.5 million.

12. As of June 30, 2007, Tawa reported total assets of \$368.0 million, total liabilities of \$181.2 million and total equity (attributable to equity holders) of \$186.8 million.

13. PXRE RE is a Connecticut domiciled property and casualty reinsurance company that is licensed in 28 states and is an accredited reinsurer in 22 jurisdictions. Its statutory home office is located at One Commercial Plaza, Hartford, Connecticut 06103 and its main administrative office is located in Edison, New Jersey.

14. The Domestic Insurer is a wholly-owned, indirect subsidiary of Argo Group International Holdings, Ltd. ("Argo Group") a Bermuda publicly traded holding company.

15. There are no employees of the Domestic Insurer located in Connecticut.

16. PXRE RE has not written direct business in the United States in recent years; it has acted solely as a reinsurer, and is in a run-off mode.

17. PXRE RE has stopped writing new business other than for two intercompany reinsurance agreements with an affiliate, Peleus Reinsurance Ltd., ("Peleus Re").

18. As of December 31, 2006, PXRE reported total Assets of \$295.9 million, total liabilities of \$157.9 million and surplus as regards policyholders of \$138.0 million.

19. As of September 30, 2007, PXRE reported total assets of \$504.7 million, total liabilities of \$279.8 million and surplus as regards policyholders of \$224.9 million.

20. Pursuant to the terms of the Agreement, dated as of November 5, 2007 by and among PXRE Corporation as seller, Argonaut as seller guarantor, WT Holdings as buyer, and Tawa as buyer guarantor, WT Holdings will acquire the Domestic Insurer, which will become a direct, wholly-owned subsidiary of WT

Holdings and an indirect subsidiary of Tawa which owns 100% of the stock of WT Holdings.

21. The purchase price is expected to be funded through a combination of cash and debt.

22. The actual purchase price, which is expected to be between \$50 million and \$60 million, will be based upon the final balance sheet as of March 31, 2008 (the expected Closing date).

23. If the final purchase price is determined to be greater than the interim purchase price paid at the Closing, WT Holdings will pay the difference, plus interest, to PXRE Corporation; however, if the final purchase price is determined to be less than the interim purchase price paid at the Closing, PXRE Corporation will return the difference, plus interest, to WT Holdings.

24. The Applicants intend to finance 50% of the cost of the transaction which will be determined by adding the purchase price and the costs to be incurred as part of the transaction, such as debt service fees and professional fees (which costs are estimated to be approximately \$3 million). The other 50% of the cost of the transaction will be paid in cash by means of a capital contribution from Tawa to WT Holdings.

25. Tawa continues to pursue various options on parallel tracks with respect to the cash portion of the funding for the transaction. In particular, Tawa is pursuing (1) a public offering of Tawa's shares on the capital markets, (2) a

private placement of either a convertible bond or convertible preference shares to a number of qualified investors, (3) the sale of either shares, a convertible bond, or convertible preference shares to a large private equity investor and (4) a combination of two or more of the preceding options.

26. Tawa is currently actively engaged in discussions with all necessary parties with respect to each of the foregoing structures so that Tawa will be in a position to select the optimum arrangement based on terms and market conditions at the time.

27. The Applicants completed permanent financing arrangements on March 11, 2008 with Natixis in the form of a term loan facility in the amount of \$30 million and a revolving credit facility in the amount of \$5 million.

28. To ensure that the Applicants will be in a position to close the proposed acquisition, the Applicants obtained a commitment from their majority shareholder, FinP, to purchase shares of Tawa or loan funds to Tawa if needed. In the case of either a purchase of shares or the loan, such arrangement would be temporary and FinP would expect to resell such shares, or be fully repaid on such debt, as soon as reasonably possible.

29. The Applicants have secured a bridge loan facility through Natixis in the amount of \$36 million if the permanent financing cannot be in place at the time of the closing. The bridge facility provides flexibility to complete the Proposed Acquisition in the event that permanent financing cannot be completed on commercially acceptable terms prior to the Closing. If the permanent

financing can be used at closing, the bridge loan facility will not be used and, at this time, Tawa does not anticipate needing to use the bridge facility.

30. The nature and amount of the consideration to be paid in connection with the Proposed Acquisition was determined by arm's length negotiation between the parties to the Agreement.

31. After the Proposed Acquisition, the following will be officers of PXRE:

- Marvin Mohn, President
- Simon Byrne, Chief Financial Officer
- Stephen Baxter, Treasurer
- Christopher Jones, Secretary

32. After the Proposed Acquisition, the following will be members of the board of directors of PXRE:

- David Vaughan, Chairman
- Jonathan Bank
- Stewart Keir
- Marvin Mohn
- Steve Street

33. The following are the officers of Tawa plc:

- Gilles Erulin, Chief Executive Officer
- Colin Bird, Chief Financial Officer
- David Vaughan, Chief Operating Officer

- Christopher Jones, Secretary

34. The following are the members of the board of directors of Tawa plc:

- Patricia Barbizet
- Colin Bird
- Loic Brivezac
- Gilles Erulin
- Anthony Hamilton
- John Hendrickson
- Robin Jackson
- Gilles Pagniez
- David Vaughan

35. The following are the officers of WT Holdings:

- Marvin Mohn, President
- David Vaughan, Treasurer
- Christopher Jones, Secretary

36. The following are the members of the board of directors of WT Holdings:

- Marvin Mohn
- David Vaughan

37. The biographical affidavits of the new members of the boards of directors and officers of Tawa and WT Holdings, which include each individual's

educational background, professional credentials, and employment history, are included in the record and the files of the Insurance Department.

38. Following completion of the Proposed Acquisition, the Domestic Insurer will continue to operate in substantially the same manner.

39. In order to minimize disruption, the Domestic Insurer will enter into an interim services agreement with Argo Group, which currently employs all of the Domestic Insurer's workforce and operates the Domestic Insurer.

40. Tawa will establish appropriate oversight of the current staff and operations, although Tawa has no plans to change the Domestic Insurer's claim handling practices prior to the completion of an evaluation of the Domestic Insurer's operations.

41. The books and records of the Domestic Insurer are currently maintained at the main administrative offices in Edison, New Jersey. There are no plans to change that arrangement.

42. During the 12 calendar months preceding the filing of the application, neither the Applicant, nor any person controlling, controlled by or under common control with, the Applicant nor any of the executive officers or directors of the Applicant has effected transactions in any voting securities of the Domestic Insurer.

43. Neither the Applicant, nor its affiliates, nor any person listed as a director or executive officer of the Applicant, nor anyone based upon interviews

or at the suggestion of such acquiring party made any recommendations to purchase any voting securities of the Domestic Insurer during the 12 calendar months preceding the filing of the Application.

44. There are no contracts, arrangements, understandings or agreements with broker-dealers as to the solicitation of any voting security of the Domestic Insurer in which the Applicant, any affiliates of the Applicant, or any person listed as a director or executive officer of the Applicant is involved.

45. The Applicants confirmed their intention to use their best efforts to establish a platform in the State of Connecticut by year end 2008, either by means of the acquisition of a Connecticut based insurance company or through the formation of a Tawa management or consulting company in Connecticut.

46. The Proposed Acquisition will not substantially lessen competition of insurance in the State of Connecticut or tend to create a monopoly therein.

III. DISCUSSION

Section 38a-132(b) of the Connecticut General Statutes specifically requires the approval of the proposed acquisition of control of the Domestic Insurer unless it is determined that:

- (A) After the change of control, the Domestic Insurer would not be able to satisfy the requirements for the issuance of a license to write the lines of business for which it is presently licensed;

- (B) The effect of the merger or other acquisition of control would be to substantially lessen competition of insurance in this state or tend to create a monopoly in Connecticut;
- (C) The financial condition of the acquiring party is such as might jeopardize the financial stability of the Domestic Insurer or prejudice the interests of its policyholders;
- (D) The plans or proposals which the acquiring party has to liquidate the Domestic Insurer, sell its assets or consolidate or merge it with any person, or 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 operations of the Domestic Insurer are such that it would not be in the interest of the policyholders of the Domestic Insurers and of the public to permit the merger or other acquisition of control; or
- (F) The acquisition of control of the Domestic Insurer is likely to be hazardous or prejudicial to those buying insurance.
 - A. The ability of the Domestic Insurer to satisfy the requirements for the issuance of a license to write the line or lines of business for which it is presently licensed following the proposed acquisition of control.**

The Domestic Insurer is a domestic insurance company currently licensed pursuant to section 38a-41 of the Connecticut General Statutes. Section 38a-72 of the Connecticut General Statutes requires that a domestic stock property and casualty reinsurance company must have a minimum of \$2,000,000 in capital

and \$2,000,000 in paid-in surplus in the aggregate. The Domestic Insurer currently satisfies the requirements for the issuance of a license to write the lines of business for which it is licensed.

As noted in the findings of fact, following consummation of the Proposed Acquisition, the Applicants have no plans or proposals to liquidate the Domestic Insurer, to sell its assets, merge, or consolidate the Domestic Insurer with any other person or entity. There are no plans for the Domestic Insurer to enter into any material contract, agreement, arrangement or transaction of any kind with any person or entity.

The Applicants also submitted evidence that the information contained in the biographical affidavits for the directors and officers of Applicant proposed for the Domestic Insurer attest to the competence, experience and integrity of the individuals who will be responsible for the governance and operation of the Domestic Insurer, and should insure the safe and expert operation of the Domestic Insurer following the Proposed Acquisition.

Accordingly, it is the conclusion of the Insurance Department that the evidence contained in the record supports a finding that the Applicants will be able to satisfy the requirements for the issuance of the necessary license of an insurer for which it is presently licensed following the proposed acquisition of control of the Domestic Insurer.

B. Whether the effect of the Proposed Acquisition would be to substantially lessen competition of insurance in this state or tend to create a monopoly herein.

The Applicants do not currently transact direct insurance business in Connecticut. Therefore, it is hereby concluded that the effect of the acquisition of control by the Applicants will not substantially lessen competition of insurance or tend to create a monopoly in Connecticut.

C. Whether the financial condition of the Applicants is such as might jeopardize the financial stability of the Domestic Insurer or prejudice the interests of their policyholders.

Based on the written testimony and the evidence contained in the record, there is no evidence that would indicate the financial condition of the Applicants might jeopardize the financial condition of the Domestic Insurer, or prejudice the interest of the policyholders.

D. Whether the plans or proposals which the Applicants have to liquidate the Domestic 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.

The record reveals that the Applicants have no current plans or proposals to liquidate the Domestic Insurer, to sell its assets, or consolidate or merge it with any other entity.

Accordingly, the record supports the conclusion that there are no plans or proposals for the Domestic Insurer that are unfair and unreasonable to policyholders of the Domestic Insurer or not in the public interest.

E. Whether the competence, experience and integrity of those persons who would control the operation of the Domestic Insurer are such that it would not be in the interest of the policyholders of the Domestic Insurer and of the public to permit the Proposed Acquisition or other acquisition of control.

The record includes the biographical affidavits of those individuals who will serve as members of the board and as officers of the Applicants and the Domestic Insurer following the change of control. The biographical affidavits disclose each individual's educational background, professional credentials and their employment history. In addition, the Applicant has represented, and the biographical affidavits confirm, that during the last ten years none of the proposed directors or officers of the Applicant and Domestic Insurer have been convicted in a criminal proceeding (excluding minor traffic violations) or have been convicted or otherwise penalized for violating any federal or state law regulating the business of insurance securities or banking, (or in the case of an alien person, such equivalent provision as applicable). During the last ten years, none of the proposed directors or officers of the Applicant have been the subject of any proceeding under the Federal Bankruptcy Code, (or in the case of an alien person, such equivalent provision as applicable) or have been affiliated with a business or organization which has been subject to such proceeding.

Furthermore, no proposed director or officer of the Applicants or Domestic Insurer has had a revocation, suspension or disciplinary sanction imposed

against him or her by an insurance regulator.¹ None of the filed biographical affidavits contain any information that reflects negatively on the integrity of these individuals. The competence, experience, and integrity of those persons who would control the operations of the Domestic Insurer after the Proposed Acquisition is such that it would be in the interest of policyholders of the Domestic Insurer, and in the public interest to permit the Proposed Acquisition.

F. Whether the acquisition is likely to be hazardous or prejudicial to those buying insurance.

Based on the financial strength of the Applicants, the affirmation that the current plans of the Applicants for the Domestic Insurer will provide a strong and stable financial environment for the Domestic Insurer, and assuming compliance with all of Connecticut's insurance statutes and regulations, it is reasonable to conclude that the proposed acquisition of control of the Domestic Insurer is not likely to be hazardous to those buying insurance.

IV. RECOMMENDATION

Accordingly, based on the foregoing findings of fact and discussion, the written testimony and exhibits submitted, the record of the March 12, 2008 public hearing, and the recommendation of the Insurance Department staff, the undersigned concludes that the Applicant has satisfied the statutory criteria as

¹ Patricia Barbizet, who is also Managing Director of Groupe Artemis, in December 2003 entered into a three year period of pre-indictment diversion with the United States Department of Justice that required her to pay \$1 million and prohibited her from entering the United States during the period of her diversion in connection with settlement agreements reached between the Department of Justice and France's Credit Lyonnais, CDR-Enterprises S.A, MAAF Assurances S.A and Artemis S.A. to avoid criminal charges in connection with Credit Lyonnais' acquisition in the 1990's of junk bond portfolio belonging to failed American insurance company, Executive Life of California. Artemis S.A. was not criminally charged and was given immunity from prosecution in exchange for its cooperation in the investigation.

provided in section 38a-132(b) of the Connecticut General Statutes. Accordingly, the undersigned concludes that pursuant to the relevant section 38a-132(b) of the Connecticut General Statutes that after the proposed acquisition of control (a) the Domestic Insurer will be able to meet the requirements for licensing in this state; (b) the effect of the acquisition of control will not be to substantially lessen competition in this state or tend to create a monopoly therein; (c) the financial condition of the Applicants is not such as might jeopardize the financial stability of the Domestic Insurer, or prejudice the interest of its policyholders; (d) the plans or proposals for the Domestic Insurer are not unfair and unreasonable to their policyholders, and are in the public interest; (e) the competence, experience and integrity of the management of the Applicants is such that it would be in the interest of policyholders of the Domestic Insurer, and of the public to permit the proposed acquisition of control; and (f) the acquisition of control of the Domestic Insurer is not likely to be hazardous or prejudicial to those buying insurance.

Accordingly, the undersigned recommends the following order be issued by the Commissioner of Insurance:

1. The Form A Application of the Applicants in which they seek approval to acquire control of Domestic Insurer be approved.
2. The Applicants and Domestic Insurer shall comply with their commitments as set forth in the Proposed Final Decision.
3. The Applicants shall provide the Insurance Department with written confirmation of the consummation of the acquisition of control by the end of the month the acquisition of control takes place.

4. For a period of two (2) years, the Applicant shall file semiannually with the Insurance Department, commencing six months from consummation of the transaction, a report under oath of its business operations in Connecticut, including but not limited to, any change to the business of the Domestic Insurer; list of commutation activity (insurer, loss reserves commuted and gain/loss on commutation), changes in offices of the Domestic Insurer; charitable contributions made to Connecticut entities; and, notice of any statutory compliance or regulatory actions taken by other state regulatory authorities against the Applicants or the Domestic Insurer.

5. The Applicants should provide the Department with the names and titles of those individuals who will be responsible for filing an amended Insurance Holding Company System Annual Registration Statement pursuant to section 38a-138-10 of the Regulations of Connecticut State Agencies.

6. Within thirty (30) days following the end of the month in which the Proposed Acquisition is consummated, the Domestic Insurer shall file a request for a waiver of the requirements of section 38a-136(i) of the Connecticut General Statutes.

7. Within fifteen (15) days following the end of the month in which the Proposed Acquisition is consummated, the Domestic Insurer shall file an amended Insurance Holding Company System Annual Registration Statement pursuant to section 38a-138-10 of the Regulations of Connecticut State Agencies.

8. If the Proposed Acquisition is not consummated within three (3) months of the date of this Order and the Applicants intends to consummate the Proposed Acquisition, the Applicants shall submit to the Commissioner a statement, which shall include (1) the reason for the Applicants' inability to consummate the Proposed Acquisition; (2) any material changes in the information contained in the Form A Application; and (3) the current financial statements of the Applicants and the Domestic Insurer.

9. The Domestic Insurer shall meet with the appropriate Insurance Department staff prior to making any material change to its business plan.10.

The Domestic Insurer shall, at all times, maintain their books, records and assets in Edison, New Jersey unless otherwise approved by the Commissioner pursuant to Connecticut Law and consistent with the terms of the Form A Application.

11. The Applicants shall pay expenses incurred by the Insurance Commissioner in connection with the Insurance Department's review of the captioned transaction pursuant to sections 38a-132(a)(3) and 38a-132(c) of the Connecticut General Statutes.

12. The Applicants will use their best efforts to establish a platform in the State of Connecticut by year end 2008, either by means of the acquisition of a Connecticut based insurance company or through the formation of a Tawa management or consulting company in Connecticut.

13. The Applicants will meet with the Connecticut Insurance Department no later than September 30, 2008, to discuss the progress made in establishing such Connecticut platform.

Dated at Hartford, Connecticut, this 19th day of March, 2008



Kathy Belfi
Hearing Officer