

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY CRUM)
AND FORSTER INSURANCE COMPANY FOR)
AN EXEMPTION FROM THE FILING AND)
PUBLIC HEARING REQUIREMENTS OF THE) ORDER
INSURANCE HOLDING COMPANY SYSTEMS)
ACT, N.J.S.A. 17:27A-1 ET SEQ.)

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

IT APPEARING that N.J.S.A. 17:27A-2d 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-2f(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 Crum and Forster Insurance Company (“C and F” or “the insurer”), a New Jersey-domiciled stock property and casualty insurer, is a wholly-owned direct subsidiary of Crum and Forster Holdings Corp. (“C and F Holdings”), a Delaware-domiciled corporation, which is ultimately wholly-owned by Fairfax Financial Holdings Limited, (“FFHL”), a Canadian-domiciled financial services holding company; and

IT FURTHER APPEARING that C and F Holdings plans to make a capital contribution of 100 percent of the issued and outstanding shares of C and F to United States Fire Insurance Company (“U.S. Fire”), a Delaware-domiciled insurer which is directly wholly-owned by C and F Holdings; and

IT FURTHER APPEARING that, after the transaction, C and F will be directly wholly-owned by U.S. Fire and will continue to be ultimately wholly-owned by FFHL; and

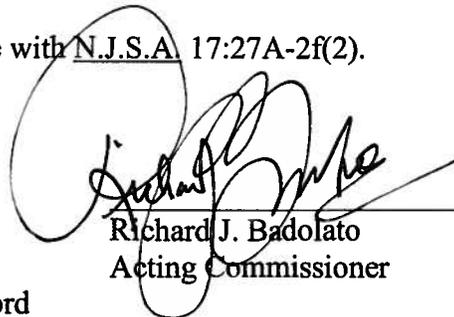
IT FURTHER APPEARING that this transaction is an intrasystem corporate restructuring that is not being made or entered into for the purpose, and will not have the effect, of changing or influencing the control of the insurer; and

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

THEREFORE, IT IS on this th 15 day of March, 2016,

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 the insurer, this transaction is hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 et seq. in accordance with N.J.S.A. 17:27A-2f(2).



Richard J. Badolato
Acting Commissioner

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