

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE ACQUISITION)	
OF CONTROL OF CITIZENS UNITED)	
RECIPROCAL EXCHANGE BY CONNING)	HEARING OFFICERS'
HOLDINGS LIMITED, CONNING U.S.)	REPORT
HOLDINGS, INC., CONNING HOLDINGS)	
CORP. AND CONNING & COMPANY)	

Procedural History

In accordance with N.J.S.A. 17:27A-2, by a filing dated June 3, 2025, and by a second amended and restated filing dated September 4, 2025, Conning Holdings Limited (“CHL”), Conning US Holdings, Inc. (“Conning US”), Conning Holdings Corp. (“Conning Holdings”), and Conning & Company (“Conning”) (collectively, the “Applicants”) filed with the New Jersey Department of Banking and Insurance (“Department”) an application to acquire and change control (“Form A Filing” or “Proposed Acquisition of Control”) of Citizens United Reciprocal Exchange (“CURE”, the “Domestic Insurer,” or the “Company”), (NAIC Company Code: 37028; New Jersey Insurance Code: 946). In accordance with N.J.S.A. 17:50-3 and -10, along with CURE’s plan of operation and prior filings with the Department, Reciprocal Management Corporation, Inc. (“RMC”) serves as the Attorney-In-Fact (“AIF”) for CURE, and acts as its registered agent and general manager of CURE with the responsibility for the administration and management of CURE’s daily operations. RMC directly controls and manages CURE.

The Proposed Acquisition of Control of CURE will be effected pursuant to the Applicants’ purchase of (a) 77% of the Class C Partnership Interests of MGG Investment Group LP (the “MGG Investment Manager”), and certain other affiliated entities, and (b) 100% of the equity interests of MGG GP LLC, the General Partner of the MGG Investment Manager, from McCourt Global Capital LLC, and McCourt MGG SLP LLC (together, the “McCourt Companies”), Kevin Griffin

(“Griffin”), and Gregory Racz (“Racz”) and together with the McCourt Companies, and Griffin (the “Sellers”) (the “Conning Transaction”).

As a result of the Conning Transaction, Applicants will acquire indirect control of MGG Structured Solutions Fund LP (“MGG SS Fund”), and MGG Structured Solutions Master Fund LP (“MGG SS Master Fund” and together with the MGG SS Fund, the “MGG Funds”). The MGG Funds collectively own 9.95% of RMC SPV LLC¹ (“RMC SPV”), a Delaware limited liability company. In turn, RMC SPV owns 100% of RMC (together with CURE, the “Domestic Entities”). Along with their ownership interests in RMC SPV, the MGG Funds maintain governance and other contractual rights with respect to RMC SPV and the Domestic Entities as set forth in the Limited Liability Company Agreement of RMC SPV which collectively constitute control of the Domestic Insurer under the New Jersey Insurance Holding Company Systems Act, N.J.S.A. 17:27A-1 et seq. (“HCA”).²

The Conning Transaction will occur pursuant to a Securities Purchase Agreement dated January 16, 2025 (“SPA”), through which Conning & Company will acquire (i) 77% of the Class C Equity Interests of each of Maverick Onshore Carry LLC (“Onshore LLC”), Maverick Offshore Carry LLC (“Offshore LLC”), and the MGG Investment Manager held by the Sellers, and (ii) 100% of the Equity Interests of MGG GP LLC, the General Partner of the MGG Investment

¹ Previously known as MGG RMC SPV LLC.

² By way of background, Department Order No. A22–13 (“Order A22-13”) approved RMC SPV, a direct subsidiary of the MGG Funds, to acquire 100% of the issued and outstanding equity of RMC. After the acquisition of control in January 2023, the MGG Funds collectively owned 70% of the voting securities of RMC SPV while other investors owned the remaining 30%. After a recapitalization of RMC SPV in May 2025, the MGG Funds collectively owned 9.95% of the voting securities and maintained governance and other contractual rights with respect to, RMC SPV and the Domestic Entities as set forth in the Limited Liability Company Agreement of RMC SPV which continued to collectively constitute control of the Domestic Insurer under the HCA.

Manager. MGG Investment Group GP LLC (“MGG GP”) and MGG Investment Group GP III LLC (“MGG GP III” and together with MGG GP, the “MGG GPs”) are directly wholly owned by Onshore Carry and Offshore Carry, respectively. MGG GP and MGG GP III control the MGG Funds.

The MGG Funds, pursuant to a Management Agreement, are managed by the MGG Investment Manager, whose General Partner is MGG GP LLC. After the Proposed Acquisition of Control, MGG GP LLC will be 100% owned by Conning. Governance and the operations of the MGG Investment Group are governed by the terms of its Limited Partnership Agreement.

Prior to the Conning Transaction, a Form A Statement filed in connection with Order A22-13 indicated, (i) the MGG Funds are directly controlled by the MGG GPs, (ii) Griffin controls the MGG GPs, and (iii) the MGG GP LLC directly controls the MGG Investment Manager. Griffin is the Chief Executive Officer and Chief Investment Officer (“CIO”) of the MGG Investment Manager. Following the Conning Transaction, Applicants’ Form A Filing states Griffin will continue to exercise control over management of the MGG Funds through (1) his roles as CEO and CIO of the MGG Investment Manager and (2) the Investment Committee of MGG Investment Manager. Griffin’s management and CIO duties and rights are set forth in the MGG Investment Manager’s Limited Partnership Agreement. As CEO and CIO of the MGG Investment Manager, Griffin’s decisions in those capacities, separately or jointly, are binding on the Investment Committee.

Pursuant to N.J.S.A. 17:27A-2(d), a public hearing was held on the Form A filing on September 24, 2025. Pursuant to N.J.A.C. 11:1-35.6(g), the public hearing was conducted based on the documents filed. The hearing panel and Department staff determined that the documents filed in connection with the Proposed Acquisition of Control satisfied the requirements of N.J.S.A.

17:27A-2(b). Public comments were allowed to be submitted through the close of business on September 24, 2025.

The Department received a comment, dated September 24, 2025, on behalf of RMC and CURE objecting to the hearing and application of the HCA. RMC and CURE's comment referred to a civil action complaint filed against the Department in the Superior Court of New Jersey (Docket No. L-1929-25) that resulted in an Order Denying RMC and CURE's Application for Temporary Restraints issued by the court on September 23, 2025. Their comment did not reference or challenge the substance of the disclosures made in the Form A Filing and did not affect the analyses of the seven disqualifying factors under N.J.S.A. 17:27A-2(d), as set forth in this report and recommendation. No other comments were received. Accordingly, the record closed on September 24, 2025.

Findings of Fact³

CURE is a New Jersey domiciled property and casualty insurer comprised of subscribers authorized to exchange reciprocal or interinsurance contracts with each other. RMC organized CURE pursuant to N.J.S.A. 17:50-1 to -19. Under the authority granted by the Department, CURE commenced business on June 1, 1990. CURE is also licensed in the states of Michigan and Pennsylvania. As a reciprocal inter-insurance exchange, CURE has no authorized, issued, or outstanding voting securities.

³ The findings of fact were developed based on the Department's understanding of the history of the formation, operation and control of RMC, CURE and their affiliates in New Jersey, consistent with Order A22-13 and historical filings with the Department from one or more of these entities. These findings of fact are also based a review of the Form A Statement filing submitted to the Department, and the Department's reliance on certain documents, statements and/or representations made to the Department by Applicants in furtherance of the Form A Statement submission.

RMC is responsible for the administration and management of CURE. Each subscriber of CURE executes a power of attorney (“POA”) appointing RMC as the AIF for the Company. Pursuant to the POA, the POA takes effect only when the application for Motor Vehicle Insurance Coverage is accepted and the applicant becomes a subscriber of CURE. RMC currently has 600,000 shares of voting common stock issued and outstanding. RMC SPV owns 100% of the shares of RMC.

The MGG Funds are part of the MGG Investment Group (“MGG”). MGG is a New York-based private direct lending investment firm with over \$6 billion in assets under management. Launched in 2014 by Kevin Griffin and McCourt Global, MGG provides senior secured loans and structured capital solutions to U.S. middle market businesses. MGG provides bespoke investment solutions to mid-size and growing middle market companies.

Conning is a U.S. Corporation, and a directly wholly owned subsidiary of Conning Holdings. Conning Holdings is a direct wholly owned subsidiary of Conning U.S. which is a direct wholly owned subsidiary of CHL. CHL is a direct wholly owned subsidiary of Generali Investment Holdings S.p.A., an Italian Entity (“Generali Investments”).

In April 2024, Generali Investments acquired 100% of the outstanding stock of CHL from Cathay Life Insurance Company, Ltd. (“Cathay Life”). Cathay Life is a life insurance company located in Taipei, Taiwan, ROC, and a wholly owned subsidiary of Cathay Financial Holding Co., Ltd (“Cathay”), which is also located in Taipei, Taiwan, ROC. Cathay is publicly traded on the Taiwan Stock Exchange.

Assicurazioni Generali S.p.A.⁴, a corporation organized and existing under the laws of Italy (“Generali”), is the ultimate parent company of Generali Investments, owning directly and

⁴ On September 4, 2025, a Disclaimer of Control in relation to the Buyer’s acquisition of control of the Domestic Insurer was filed by Assicurazioni Generali S.p.A. and Generali Investments

indirectly 83.25% of Generali Investments issued and outstanding voting securities. Cathay Life owns the remaining 16.75% of the share capital of Generali Investments. Generali is a listed company on the Milan Stock Exchange.

CHL is a global asset management firm providing investment solutions predominately to the insurance industry and other institutional investors. CHL is domiciled in the United Kingdom. CHL was incorporated on June 10, 2015, and was formed to provide a holding structure in connection with the acquisition of Conning Holdings and its subsidiaries by Cathay Life Insurance Co., Ltd. That transaction was completed on September 18, 2015.

Conning, Conning Holdings and Conning U.S. are subsidiaries of CHL that serve as holding companies for operating affiliates within the Conning holding company system in the United States (together with CHL, the “Conning Companies”).

The Conning Companies are leading global investment management firms with a long history of serving the insurance industry. The principal activity of the Conning Companies and their operating subsidiaries is to provide asset management and risk management solutions, software solutions, and proprietary insurance industry research and consulting services, predominately for the insurance industry and other institutional clients. The Conning Companies state that they have no plans to provide any of these services or resources to RMC SPV nor the Domestic Entities.

The Proposed Acquisition of Control will occur pursuant to the SPA, dated January 16, 2025, by and among the Applicants, the Sellers, and, for limited purposes, Generali Alpha Corp. Pursuant to the SPA, Conning will acquire (i) 77% of the Class C Equity Interests of each of the

Holding S.p.A on behalf of themselves and affiliates owning non-controlling interests (the “Disclaimer Applicants”). The Disclaimer was conditionally granted to the Disclaimer Applicants in relation to the Domestic Insurer and will be effective upon an Order approving the Proposed Acquisition of Control.

MGG Investment Manager, Onshore LLC, and Offshore LLC, and (ii) 100% of the Equity Interests of MGG GP LLC. By way of acquisition of 77% of the Class C Equity Interests, which equate to 77% voting rights, Applicants will acquire indirect control of the MGG Funds' combined 9.95% voting common units/securities of RMC SPV. Along with their ownership interests in RMC SPV, the MGG Funds maintain governance and other contractual rights with respect to, RMC SPV and the Domestic Entities as set forth in the Limited Liability Company Agreement of RMC SPV which constitute control of the Domestic Insurer under the HCA. The MGG Funds' investments in RMC SPV and the Domestic Entities will remain managed by the MGG Investment Manager and Griffin.

Upon consummation of the Proposed Acquisition of Control, RMC will continue as a direct wholly owned subsidiary of RMC SPV. RMC SPV will continue as a subsidiary of the MGG Funds. Griffin will continue to exercise control over the management of the MGG Funds through (1) his roles as CEO and CIO of the MGG Investment Manager and (2) the Investment Committee of MGG Investment Manager. Griffin's management and CIO duties and rights are set forth in the MGG Investment Manager's Limited Partnership Agreement. As CEO and CIO of the MGG Investment Manager, Griffin's decisions in those capacities, separately or jointly, are binding on the Investment Committee.

Applicants represent to the Department that the purchase price payable by Conning under the SPA is \$320 million at closing with additional amounts payable over time subject to the achievement of certain milestones. As represented by Applicants to the Department, the purchase price and transaction terms were the result of an arms' length negotiation with the Sellers and an evaluation/due diligence process. Conning arrived at the purchase price with the assistance of its financial adviser, Ardea Partners.

Applicants represent that it is not possible to allocate any portion of this purchase price to the RMC SPV and Domestic Entities. No value was assigned to the RMC SPV and Domestic Entities in the negotiation of the purchase price. In fact, the Domestic Entities were not known to Conning at the time the SPA purchase price was agreed upon. The value of the RMC SPV and Domestic Entities to Conning following the closing under the SPA will be immaterial and is not a material commercial factor in the Conning Transaction. The terms of the SPA provide that virtually all economic returns on the MGG Funds' investments in RMC SPV and Domestic Entities will flow to the limited partners of the MGG Funds, and not to Conning. Conning will indirectly receive management fees for the MGG Investment Manager's management of the MGG Funds' investment in RMC SPV, but they are not material to the Conning Transaction. The purchase price payable by Conning under the SPA will be funded from Generali Group balance sheet cash, including cash held at Generali Investments. Prior to closing, cash will be funded into Conning to complete the transaction and no third-party financing will be utilized.

The Applicants have no present plans or intentions to cause RMC SPV nor the Domestic Entities to declare dividends, or to liquidate CURE, sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management. RMC SPV will continue to be managed by a board of managers that will be comprised of the following individuals: (i) Dale Stohr appointed by the MGG Funds, (ii) Eric Poe, and (iii) Christopher Haga; and, two directors who will be independent of, but selected by, Eric Poe, (iv) Michael Minter and (v) Aaron Korff.

Additionally, as a condition of approval, the Applicants have agreed to use their efforts to ensure MGG Funds, MGG GPs, the MGG Investment Manager, and Griffin (collectively, the "MGG Parties") will exercise all efforts, including MGG Parties' voting and contractual rights of

RMC SPV and the Domestic Entities to comply with Order A22-13, including the MGG Parties' requirements relating to the Capital Maintenance Agreement.

The Applicants provided audited financial statements with unqualified opinions for the consolidated financial statements of Conning Holdings Limited and its subsidiaries (the "Audited Consolidated Financial Statements") for the years ended December 31, 2022 through December 31, 2024. For the years ended December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report total equity of \$581.7 million, \$590.8 million, and \$588.5 million, respectively.

Analysis

N.J.S.A. 17:27A-2(d)(1) provides that the Commissioner shall approve an acquisition of control of a domestic insurer unless he or she finds that one or more of seven disqualifying factors set forth therein exist. The statute provides in pertinent part:

(1) The Commissioner shall approve any merger or other acquisition of control ... unless, after a public departmental hearing thereon, he [or she] finds that:

(i) 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 line or lines of insurance for which it is presently licensed;

(ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this State or tend to create a monopoly therein ... [applying the competitive standard as set forth in the statute];

(iii) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(iv) The financial condition of any acquiring party is such that (a) the acquiring party has not been financially solvent on a generally accepted accounting principles basis, or if an insurer, on a

statutory accounting basis, for the most recent three fiscal years immediately prior to the date of the proposed acquisition (or for the whole of such lesser period as such acquiring party and any predecessors thereof shall have been in existence); (b) the acquiring party has not generated net before-tax profits from its normal business operations for the latest two fiscal years immediately prior to the date of acquisition (or for the whole of such lesser period as such acquiring party and any predecessors thereof shall have been in existence); or (c) the acquisition debt of the acquiring party exceeds 50% of the purchase price of the insurer;

(v) 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 insurer and not in the public interest;

(vi) 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

(vii) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

Upon a thorough review of the documents submitted into evidence, the hearing panel and Department staff have determined that none of the seven disqualifying factors set forth above should result if the Proposed Acquisition of Control is effectuated. Each of these conditions is discussed below.

First, after the acquisition, the Domestic Insurer will continue to meet the requirements to transact the business for which it is presently licensed pursuant to Title 17 of the New Jersey Statutes. There is nothing in the record to indicate that, after the proposed transaction, the Domestic Insurer would not be able to continue to satisfy the requirements to transact the business for which they are presently licensed.

Second, it does not appear that the proposed transaction will substantially lessen competition in the New Jersey insurance market or tend to create a monopoly therein. N.J.S.A.

17:27A–2(d)(1)(ii) provides that in applying this competitive standard, the standard set forth in N.J.S.A. 17:27A–4.1d shall apply. That statute utilizes a complex formula based on the market shares of the insurers involved in the transaction. The statute by its terms does not apply if, as an immediate result of the acquisition, there would be no increase in the overall market share of the involved insurers after the acquisition. See N.J.S.A. 17:27A-4.1(b)(2)(d). Applicants submitted a statement indicating that, because there is no common product market between Generali U.S. Branch and the Domestic Insurer, the proposed transaction will not increase the combined market share of the parties in any product market and therefore will have not anti-competitive effects. Generali U.S. Branch writes only inland marine, in the form of travel insurance, in this State. The Domestic Insurer writes only personal auto insurance risks. No other affiliate of the Applicants, Generali Investments or Generali is licensed to write insurance in New Jersey, including particularly, but without limitation, any insurance business that would compete with the product and geographic markets in New Jersey that are served by the Domestic Insurer. Therefore, the Proposed Acquisition of Control will not violate the competitive standard set forth in N.J.S.A. 17:27A–4.1 because it does not substantially lessen competition in New Jersey or tend to create a monopoly therein.

Third, it does not appear that the financial condition of the Applicants will jeopardize the financial condition of the Domestic Insurer. Applicants submitted consolidated financial statements of Conning Holdings Limited and its subsidiaries (the “Audited Consolidated Financial Statements”) for the years ended December 31, 2022 through December 31, 2024 which were reviewed for adequacy and the review revealed no concerns. For the years ended December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report assets of \$821,478,973, \$861,251,358, and \$854,450,097, respectively. According to the Applicants’

financial information, it does not appear that the financial condition of the Domestic Insurer will be jeopardized.

Fourth, it appears that the financial condition of the Applicants is such that they have been solvent for the three-year period immediately prior to the date of the proposed acquisition. Audited Consolidated Financial Statements for the years ended December 31, 2024, 2023, and 2022 report profit before income tax from operations. For the years ended December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report net income before taxes of \$35.8 million, \$14.2 million, and \$73.3 million, respectively. Furthermore, for the years ended December 31, 2024, 2023, and 2022, the Audited Consolidated Financial Statements report total equity of \$581.7 million, \$590.8 million, and \$588.5 million. The sources of consideration for payment of the purchase price payable by Conning under the SPA will be funded from Generali Group balance sheet cash, including cash held at Generali Investments. Prior to closing, cash will be funded into Conning to complete the transaction. Finally, no third-party financing will be utilized. Accordingly, the requirement that the acquisition debt may not exceed fifty percent (50%) of the purchase price is satisfied.

Fifth, the Applicants do not propose to liquidate RMC, the AIF for the Domestic Insurer, or sell its assets. As set forth above, the Applicants do not intend to change the business operations, corporate structure, management, or general plan of operations other than as may arise in the ordinary course of business.

Sixth, there is nothing in the record from which it may be concluded that the competence, experience, and integrity of the persons who will control the operations of the Domestic Insurer, are such that it would not be in the best interest of the policyholders and of the public to permit the acquisition of control. There are no anticipated changes to the Domestic Insurer's executive

officers and Board of Directors. Following the transaction, the Applicant's will collectively own 9.95% of RMC SPV. Along with its ownership interest in RMC SPV, the MGG Funds will maintain governance and other contractual rights with respect to, RMC SPV and the Domestic Entities as set forth in the Limited Liability Company Agreement of RMC SPV.

Seventh, there is nothing in the record from which it may be concluded that the proposed transaction is likely to be hazardous or prejudicial to the insurance buying public for the reasons set forth above.

Recommendation

Based on the foregoing analysis, the hearing panel and Department staff recommend that the proposed transaction be approved.

Upon a thorough review of the foregoing, I concur with the findings, analysis and recommendations of the hearing panel and Department staff. I therefore recommend that the proposed transaction be approved.

September 24, 2025
Date

s/ Jacqueline Dilks-Brotman
Jacqueline Dilks-Brotman
Hearing Officer

Jd HO Report-CURE by Conning/Orders

Exhibits List

In the Matter of the Acquisition of Control of Citizens United Reciprocal Exchange (“CURE”) by Conning Holdings Limited (“CHL”), Conning US Holdings, Inc. (“Conning US”), Conning Holdings Corp. (“Conning Holdings”), and Conning & Company (“Conning”)

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| Exhibit 1 | Form A Statement and related filings received on June 3, 2025 |
| Exhibit 2 | First Amended and Restated Form A Statement and related filings dated and received on June 23, 2025 |
| Exhibit 3 | Supplemental information dated as of August 14, 2025. Applicants provided confidential biographical data. |
| Exhibit 4 | Supplemental confidential information dated as of August 25, 2025. Applicants provided confidential Post Closing Structure Chart. |
| Exhibit 5 | Supplemental confidential information dated as of August 31, 2025. Applicants provided confidential disclosure schedules. |
| Exhibit 6 | Supplemental information dated as of September 4, 2025. Applicants provided responses to the Department’s request for information. |
| Exhibit 7 | Amended and Restated Form A Statement dated as of September 4, 2025 |
| Exhibit 8 | 20–day Notice of Hearing by the Department to CURE (Eric S. Poe and Jason Lee) and the Applicants (Vi R. Smalley) |
| Exhibit 9 | Affidavit of Publication of Notice of Hearing in The Record, reflecting publication on September 17, 2025 |
| Exhibit 10 | Affidavit of Publication of Notice of Hearing in Courier Post, reflecting publication on September 17, 2025 |
| Exhibit 11 | Affidavit of Publication of Notice of Hearing in Star Ledger, reflecting publication on September 17, 2025 |
| Exhibit 12 | Comment received from CURE and RMC on September 24, 2025 |
| Exhibit 13 | Order Denying Plaintiffs’ Application for Temporary Restraints, Superior Court of New Jersey Law Division, Mercer County, Docket No. L-1929-25, dated as of September 23, 2025 |