

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY)
MAG MUTUAL INSURANCE COMPANY)
AND MDADVANTAGE INSURANCE)
COMPANY OF NEW JERSEY FOR AN)
EXEMPTION FROM THE FILING AND)
PUBLIC HEARING REQUIREMENTS OF)
THE INSURANCE HOLDING COMPANY)
SYSTEMS ACT, N.J.S.A. 17:27A-1 TO -14.)

ORDER

This matter having been opened by the Commissioner of the Department of Banking and Insurance (the “Commissioner”) pursuant to N.J.S.A. 17:27A-1 to -14, and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2(d) 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-2(f)(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 MDAdvantage Insurance Company of New Jersey (the “Domestic Insurer”) is a New Jersey domiciled stock property and casualty insurer subject to the requirements of N.J.S.A. 17:27A-1 to -14; and

IT FURTHER APPEARING that the Domestic Insurer is a direct wholly-owned subsidiary of MAG Mutual Insurance Company, a Georgia domiciled stock insurance company

licensed in New Jersey as a foreign insurer (“MMIC”), which in turn is a direct wholly-owned subsidiary of MAG Mutual Intermediate Holding Company, a Georgia domiciled stock company (“MAG Intermediate”), which in turn is a direct wholly owned subsidiary of MAG Mutual Holding Company, a Georgia domiciled mutual holding company (“MAG Mutual”) that is the ultimate controlling entity of the Domestic Insurer; and

IT FURTHER APPEARING that both the Domestic Insurer and MMIC are stock insurers part of same insurance holding company system with MAG Mutual as the ultimate controlling entity; and

IT FURTHER APPEARING that the Domestic Insurer and MMIC intend to enter into a transaction whereby the Domestic Insurer will merge with and into MMIC, with MMIC as the surviving entity (the “Merger”); and

IT FURTHER APPEARING that after the Merger, MMIC will continue as a direct wholly owned subsidiary of MAG Intermediate, with MAG Mutual continuing as the ultimate controlling entity of the insurance holding company system; and

IT FURTHER APPEARING that the Merger is an intra-insurance holding company system 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 on December 19, 2022, the Commissioner issued Order No. A22–12, In the Matter of the Acquisition of Control of MDAdvantage Insurance Company of New Jersey by MAG Mutual Holding Company, MAG Mutual Intermediate Holding Company, and MAG Mutual Insurance Company, approving the acquisition of control of the Domestic Insurer, subject to certain conditions set forth therein, including condition 4, which provides that

the parties shall not make any material change to the business of the Domestic Insurer without the express prior approval of the Commissioner; and

IT FURTHER APPEARING that the Merger constitutes a material change to the business of the Domestic Insurer for the purposes of Order No. A22-12; and

IT FURTHER APPEARING that in connection with the Merger, MMIC and the Domestic Insurer have requested the Commissioner's approval of a material change in the business of the Domestic insurer, as required by condition 4 of Order No. A22-12; 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-2(f)(2) are applicable to this transaction; and

THEREFORE, IT IS on this 23rd day of December 2025,

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 Domestic Insurer, the Merger 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-2(f)(2); and that the request to make a material change to the business of the Domestic Insurer pursuant to condition 4 of Order No. A22-12 is approved, subject to the following conditions:

1. At the effective time of the Merger, the conditions set forth in Order A22-12 will no longer apply; except for condition 2 to Maintain RBC and Liquidity Ratio. Condition 2 will continue to apply and shall require MAG Intermediate and MAG Mutual Holding to ensure

MMIC, as the surviving entity, maintains a minimum Authorized Control Level, Risk-Based Capital (RBC) level of 300% or higher at all times for the remaining duration of Order A22-12.

2. At the effective time of the Merger, the Domestic Insurer will surrender its New Jersey certificate of authority and continue its business under MMIC as a foreign insurer licensed in New Jersey.

A handwritten signature in cursive script, reading "Justin Zimmerman", written in black ink.

Justin Zimmerman
Commissioner

Order A25-10 2f Exemption for MD Advantage NJ/orders