

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

FILED

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HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

In the Matter of the proposed Merger of:

WASHINGTON CASUALTY COMPANY,
A Washington domiciled property and casualty
insurer,

with and into

PROSELECT INSURANCE COMPANY, a
Nebraska property and casualty insurer.

Docket No. 17-0245

NOTICE OF HEARING

TO: Erin Bagley
ProSelect Insurance Company
One Financial Center, 13th Floor
Boston, MA 02111

Joseph Murphy
Washington Casualty Company
One Financial Center, 13th Floor
Boston, MA 02111

AND TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
Doug Hartz, Deputy Commissioner, Company Supervision
Toni Hood, Deputy Commissioner, Legal Affairs Division
Ronald Pastuch, Holding Company Manager, Company Supervision
Ross Valore, Insurance Enforcement Specialist, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

This Notice is provided pursuant to RCW 48.04.010, RCW 48.31.010, and RCW 34.05.434.

On August 11, 2017, the Washington State Office of the Insurance Commissioner's ("OIC's") Hearings Unit received a Demand for Hearing ("Demand") from Ross Valore, Insurance Enforcement Specialist with the OIC's Legal Affairs Division. The Demand requested a hearing before the OIC to consider the approval of a proposed merger between Washington Casualty Company ("WCC"), a Washington domiciled property and casualty insurer, with and into ProSelect Insurance Company ("ProSelect"), a Nebraska property and casualty insurer ("Merger").

On August 21, 2017, Mr. Valore filed an amended Demand with the OIC's Hearings Unit, again requesting a hearing before the OIC to consider the Merger. The amended demand clarified that at issue in the hearing would be whether: (1) The Merger satisfies the requirements of RCW 48.31.010(1); and (2) whether approval of the Merger was fair, equitable, consistent with law, and that no reasonable objection existed.

The Merger comes at the request of Coverys, of which ProSelect, MHA Insurance Company ("MHAIC"), and WCC are members. As such, ProSelect, MHAIC, and WCC are affiliated persons under the Coverys holding company group. Medical Professional Mutual Insurance Company ("MPMIC") is the ultimate controlling person of Coverys, and its holding company group. The Merger would be structured whereby MHAIC and WCC would merge pursuant to an Agreement and Plan or Merge, and MHAIC and WCC would merge with and into ProSelect, with ProSelect being the surviving entity. Via a "Final Order Approving Acquisition of Control," filed August 27, 2009 in Docket No. No. 09-0095, the OIC approved MPMIC's acquisition of WCC, then a subsidiary of FinCor Holdings, Inc.

On September 7, 2017, a telephonic prehearing conference was held in the above-referenced matter. Erin Bagley appeared on behalf of WCC, Joseph Murphy appeared on behalf of ProSelect, and Ross Valore appeared on behalf of the OIC.

A hearing is scheduled for Friday, November 17, 2017, beginning at 9:00 a.m., Pacific Time, at the OIC, 5000 Capital Blvd., Tumwater, Washington. The purpose of the hearing is to consider whether the Merger satisfies the requirements of RCW 48.31.010. The hearing will be held pursuant to Title 48 RCW, specifically RCW Chapters 48.04 and 48.31, Title 34 RCW, and applicable regulations, which may include the Model Rules of Procedure, Chapter 10-08 WAC.

By Thursday, November 9, 2017, the duly authorized representatives of OIC, WWC and ProSelect, shall file witness and exhibit lists, proposed exhibits, a joint stipulation/hearing brief summarizing the factual and legal bases of the Merger, and any other documents for consideration at the hearing. Assuming not confidential, or subject to being sealed or redacted (burden is on party submitting document(s) to identify as such), such documents will be published on OIC's website at the address above.

The hearing will be governed by the Administrative Procedure Act, RCW Chapter 34.05, and the model rules of procedure contained in WAC Chapter 10-08. All parties may be represented and may examine witnesses, respond, and present evidence and argument on all relevant issues.

A party failing to attend or participate in any stage of the proceeding may be held in default. RCW 34.05.434(2)(i).

William Pardee, Presiding Officer, has been designated by the Insurance Commissioner to hear and determine this matter. The hearing will be held under the authority granted by the Insurance Commissioner per RCW Chapter 48.04.

NOTICE OF HEARING

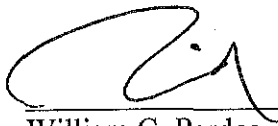
No. 17-0245

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Pursuant to WAC 284-02-070(1)(c), accommodation will be made for persons needing assistance due to difficulty with language or disability. Further, pursuant to WAC 10-08-040(2) and in accordance with RCW Chapter 2.42, if a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by RCW Chapter 2.42. A Request for Accommodation form, with instructions, is attached to the original of this Notice.

All case related documents and correspondence shall be directed to the Hearings Unit, Office of the Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to the Hearings Unit paralegal, Dorothy Seabourne-Taylor, at the same address. Ms. Seabourne-Taylor's telephone number is (360) 725-7002.

Dated: September 7, 2017



William G. Pardee
Presiding Officer

CERTIFICATE OF SERVICE

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

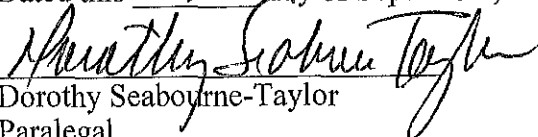
On the date given below I caused to be filed and served the foregoing Notice of Hearing on the following people at their addresses listed below:

Erin Bagley
ProSelect Insurance Company
One Financial Center, 13th Floor
Boston, MA 02111

Joseph Murphy
Washington Casualty Company
One Financial Center, 13th Floor
Boston, MA 02111

Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
Doug Hartz, Deputy Commissioner, Company Supervision
Toni Hood, Deputy Commissioner, Legal Affairs Division
Ronald Pastuch, Holding Company Manager, Company Supervision
Ross Valore, Insurance Enforcement Specialist, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

Dated this 7th day of September, 2017, in Tumwater, Washington.


Dorothy Seabourne-Taylor
Paralegal
Hearings Unit

**OFFICE OF INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782**

To request an interpreter, complete and mail this form to:

Presiding Officer
Hearings Unit
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

REQUEST FOR ACCOMMODATION FOR LANGUAGE OR DISABILITY

I am a party in Matter No. 17-0245 before the Insurance Commissioner.

I request accommodation for the following disability (insert your disability):

I request an interpreter for myself or a witness who will be testifying at the evidentiary hearing.

Please check the statements that apply:

☐ I am a non-English-speaking person and cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

☐ I am unable to readily understand or communicate the spoken English language because:

☐ I am deaf.

☐ I have an impairment of hearing.

☐ I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable accommodation for your disability, an interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____

Signed: _____

Please print or type your name: _____

Address: _____

Telephone: _____

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