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May 4, 2017

Joe Cregan
Executive Vice President, Chief Legal Officer
MagMutual Insurance Company
3535 Piedmont Road, NE
Building 14, Suite 1000
Atlanta, GA 30305-1518

Re: Case No.: 11018870, Reorganization Plan for MagMutual Insurance Company

Dear Joe:

The Georgia Department of Insurance ("Department") continues to review the proposed Reorganization Plan ("Plan") submitted by MagMutual Insurance Company ("MMIC") on March 17, 2017. At a meeting on April 14, 2017, the Department indicated we required additional information and documentation in order to continue our review of the Plan. On April 26, 2017, the following exchanges occurred: (1) MMIC provided a draft affidavit addressing the six standards referenced in O.C.G.A. §33-13-3(d)(1); (2) in an email, the Department requested MMIC amend three sections of the Plan; and (3) in a letter ("April 26th Letter"), the Department requested further information and documentation, to be submitted no later than April 28, 2017. On May 2, 2017, the Department received a letter from MMIC with certain attachments in response to our April 26th Letter.

The Department has reviewed the submitted documents and responds with the following directions:

1. **Amendments to and Final Draft of the Plan:** It is the Department's understanding that MMIC has made the appropriate changes to the language in the Recitals and in §6.4. As a condition to approval, the Department requests that MMIC remove §7.4 completely. The Department requests that MMIC submit a final, revised version of the Plan.
2. **Requested Information and Documents:** The Department reiterates our request for the following:
 - a. A statement of the funding available, anticipated expenses, and proposed capital for MagMutual Holding Company ("MMHC"), as provided by MMIC's consultants. (Items d, f, and g in our April 26th letter).
 - b. A 5 year strategic business plan of MMHC. (Item h in our April 26th letter).

- c. The final version of all communications MMIC will send to its policyholders, including but not limited to: a letter from the Chairman of MMIC to the policyholders; any explanation or FAQs regarding the Plan to the policyholders; any instructions to policyholders regarding the voting procedure; and the written proxy card for policyholders. (Items j, k, and l in our April 26th letter).
 - d. Prospective intercompany services and cost-sharing agreements, or, in the alternative, MMIC's schedule of adoption for such agreements. (Item n in our April 26th letter).
 - e. A final and fully executed affidavit addressing the six standards referenced in O.C.G.A. §33-13-3(d)(1).
3. **Confidentiality and Transparency:** MMIC has requested that the Department treat certain communications and correspondence confidentially and refrain from placing such documents on our website. While, at this time, the Department is not inclined to grant those requests, we will consider any such requests that appropriately cite to Georgia law. Under Chapter 13A, the Commissioner has an obligation to be satisfied that the interests of policyholders are properly protected and that the Plan is fair and equitable to policyholders. By publishing the Plan, communications about the Plan, and other pertinent information, the Department is providing the opportunity for policyholders to make informed comments about the Plan.

At present, assuming the Department timely receives the requested information and is able to complete our review, the Department plans for the webpage for this reorganization to "go live" on May 11, 2017, in concert with the publication of the notice of public hearing. At this time, the Department plans to post on the webpage: the Department's introductory paragraph; MMIC's initial filing; the Department's April 26th letter; MMIC's May 2nd response; this letter; and the notice of public hearing. As the documents become available, the Department intends to post on the webpage: any response from MMIC to this letter; the final version of the Plan; the proposed communications to policyholders; and other pertinent documents at the Department's discretion.

Please address these remaining issues by May 9, 2017, so that the Department may proceed with our review in time for the hearing on May 31, 2017. If you have any questions, please contact Michael Yaworsky or Sarah Crittenden at 404-656-2060.

Sincerely,



Sarah U. Crittenden
Attorney, Legal Division
Georgia Insurance Department

E-Cc: Brian T. Casey, Locke Lord