BEFORE ALLAN L MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In Re:

The Merger of West Virginia Mutual Insurance Company with MAG Mutual Insurance Company

Administrative Proceeding No. 25-IC-181893

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER EXEMPTING TRANSACTION FROM THE REQUIREMENTS OF WEST VIRGINIA CODE § 33-27-3 AND CONDITIONALLY APPROVING MERGER OF WEST VIRGINIA MUTUAL INSURANCE COMPANY WITH AND INTO MAG MUTUAL INSURANCE COMPANY

This matter came before the West Virginia Offices of the Insurance Commissioner ("Commissioner") upon MAG Mutual Insurance Company's ("MMIC"), MAG Mutual Intermediate Holding Company's ("MMIHC") and MAG Mutual Holding Company's ("MMHC") (jointly referred to as the "Applicants") request for an exemption from the filing and approval requirements under the *Insurance Holding Companies Act*, specifically West Virginia Code §33-27-3 ("Form A" requirements). The Form A exemption is requested in connection with the proposed merger of West Virginia Mutual Insurance Company ("WVMIC") with and into its direct parent company, MMIC, with MMIC as the surviving entity ("Proposed Transaction"). After due and proper consideration therefore, the Commissioner makes the following Findings of Fact, Conclusions of Law, and Orders as follows:

FINDINGS OF FACT

1. WVMIC is a stock insurance company organized pursuant to the laws of West Virginia with its principal place of business in Charleston, West Virginia. WVMIC is a direct, wholly owned subsidiary of MMIC.

2. MMIC is a stock insurance company organized pursuant to the laws of the state of Georgia. MMIC is a direct, wholly owned subsidiary of MMIHC.

3. MMIHC is a corporation organized pursuant to the laws of the state of Georgia and is a direct, wholly owned subsidiary of MMHC.

4. MMHC is a Georgia mutual insurance holding company. MMHC is the ultimate controlling entity of the holding company system collectively referred to as the MAG Mutual Group.

5. On or about June 5, 2025, the Commissioner received a Form A exemption request from the Applicants, in accordance with West Virginia Code § 33-27-3, with supporting documentation, regarding the proposed merger of WVMIC with and into MMIC.

6. West Virginia Code § 33-27-3 provides that all changes in control of a domestic insurer must be filed with and approved by the Commissioner. This is commonly referred to as a Form A filing. More specifically, West Virginia Code § 33-27-3 provides that "a person shall not enter into an agreement to merge with or otherwise to acquire control of a domestic insurer…unless at the time the…agreement is entered into, …the person has filed with the commissioner and has sent to the insurer…a statement containing the information required by this section and the… agreement…has been approved by the commissioner[.]" West Virginia Code § 33-27-3(a)(1).

7. However, West Virginia Code § 33-27-3(g) provides for an exemption from Form A filing and approval requirements if the transaction is not entered into for the purpose of, and does not, change or influence control of the domestic insurer, or is not comprehended within the purpose of West Virginia Code § 33-27-3. Specifically, West Virginia Code § 33-27-3(g) states:

> The provisions of this section shall not apply to any offer, request, invitation, agreement or acquisition which the commissioner by order shall exempt therefrom as: (1) Not having been made or entered into for the purpose of, and not having the effect of, changing or influencing the control of a domestic insurer; or (2) as otherwise not comprehended within the purposes of this section.

8. Additionally, West Virginia Code §33-5-25 provides that a domestic stock insurer may merge or consolidate with another domestic or foreign stock insurer by complying with the provisions of general law governing the merger or consolidation of stock corporations, but that "no merger consolidation shall be effectuated unless in advance thereof the plan, agreement and other supporting documents have been filed with and approved in writing by the commissioner." West Virginia Code § 33-5-25 also provides that the Commissioner shall give merger approval unless the plan or agreement is contrary to law, inequitable to the stockholders of any domestic insurer involved, or would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in West Virginia or elsewhere.

9. WVMIC is a wholly owned subsidiary of MMIC. As described in the request for exemption, the Proposed Transaction is an internal restructuring within the MAG Mutual Group wherein the parties seek to merge WVMIC into its direct parent company, MMIC, with MMIC as the surviving corporation. The agreement affects no other stockholder or domestic insurer. The purpose of the Proposed Transaction is to enhance efficiency of the MAG Mutual Group.

10. WVMIC and MMIC currently share common management and a common Board of Directors. All policies of WVMIC are reinsured and serviced by MMIC. As part of the Proposed Transaction, MMIC's directors and officers will retain their existing positions. WVMIC's assets and liabilities will be transferred to and assumed by MMIC.

11. As the surviving entity, MMIC will continue its existence under the laws of its domiciliary state, the state of Georgia. The Proposed Transaction is subject to approval by the state of Georgia. Upon approval, MMIC may continue to be licensed as a foreign insurer in West Virginia and will be subject to all applicable laws.

CONCLUSIONS OF LAW

1. West Virginia Code § 33-27-3 requires that all changes in control of a domestic insurer must, among other things, be filed with and approved by the Commissioner pursuant to a Form A filing. However, West Virginia Code § 33-27-3(g) provides for an exemption from filing and approval requirements if the transaction is not entered into for the purpose of, and does not, change or influence control of the domestic insurer, or is not comprehended within the purpose of West Virginia Code § 33-27-3.

2. The Applicants have properly filed with the Commissioner a request for an exemption from the Form A filing and approval requirements under the *Insurance Holding Companies Act*, specifically West Virginia Code §33-27-3. After review and consideration, the Commissioner concludes that the Proposed Transaction is eligible for an exemption from the Form A filing requirements pursuant to West Virginia Code §33-27-3(g) because the Proposed Transaction is not being made or entered into for the purpose of, and does not have the effect of, changing or influencing the control of WVMIC. WVMIC is a wholly owned subsidiary of MMIC. The Proposed Transaction does not change the ultimate controlling parent of the holding company system, which is MMIHC.

3. West Virginia Code §33-5-25 provides that a domestic stock insurer may merge or consolidate with another domestic or foreign stock insurer by complying with the provisions of general law governing the merger or consolidation of stock corporations, but that "no merger consolidation shall be effectuated unless in advance thereof the plan, agreement and other supporting documents have been filed with and approved in writing by the commissioner." West Virginia Code § 33-5-25 also provides that the Commissioner shall give such approval unless the plan or agreement is contrary to law, inequitable to the stockholders of any domestic insurer

involved, or would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in West Virginia or elsewhere. The Proposed Transaction is not contrary to applicable law and the agreement is not inequitable to MMIC. The agreement affects no other stockholder or domestic insurer. WVMIC is wholly owned by MMIC and all policies of WVMIC are reinsured and serviced by MMIC. Thus, the Proposed Transaction does not substantially reduce the security of, or service rendered to, WVMIC policyholders.

ORDER

It is, therefore, **ORDERED** that the requested exemption from the Form A filing and approval requirements filed by the Applicants be, and hereby is, **APPROVED** pursuant to West Virginia Code § 33-27-3. Additionally, pursuant to West Virginia Code § 33-5-25, the merger of WVMIC with and into MMIC is conditionally **APPROVED**, pending additional approval of the Proposed Transaction by the Georgia Office of Insurance and Fire Safety. This Order does not waive any other requirements regarding the Proposed Transaction not specifically addressed herein. MMIC may continue to be licensed as a foreign insurer in West Virginia and will be subject to all applicable laws of the state of West Virginia.

Entered this 16th day of June 2025.

Allan L. McVey

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner