

STATE OF ARIZONA
FILED

OCT 20 2015

DEPT OF INSURANCE
BY ms

Docket No. 15A-127-INS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1 In the Matter of the Acquisition of Control of)
2)
3 **Ironshore Specialty Insurance Company**)
4 **(NAIC No. 25445)**)
5)
6 **Insurer,**)
7)
8 By)
9)
10 **Fosun International Limited,**)
11 **Fosun Capital Holdings Limited,**)
12 **Ultimate Oasis Limited,**)
13 **Mettlesome Investments (Cayman) I Limited,**)
14 **Mettlesome Investments (Cayman) II Limited, and**)
15 **Mettlesome Investments (Cayman) III Limited,**)
16)
17 **Petitioner.**)

**ORDER APPROVING
ACQUISITION**

13 On June 23, 2015, Fosun International Limited, Fosun Capital Holdings Limited, Ultimate
14 Oasis Limited, Mettlesome Investments (Cayman) I Limited, Mettlesome Investments (Cayman)
15 II Limited, and Mettlesome Investments (Cayman) III Limited ("Petitioner") submitted an
16 application for the acquisition of control of Ironshore Specialty Insurance Company ("Insurer")
17 to the Arizona Department of Insurance (the "Department") for approval of Petitioner as the
18 controlling person of the Insurer pursuant to the provisions of A.R.S. §§20-481 through 20-
19 481.32 and A.A.C. R20-6-1402.

20 Based upon reliable evidence provided to the Director of Insurance ("Director") by the
21 Assistant Director of the Financial Affairs Division of the Department, the Director finds as
22 follows:
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FINDINGS OF FACT

1
2 1. The Insurer is a domestic insurer as referred to in A.R.S. §20-481.

3 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-
4 481.03, in the form required by A.A.C. R20-6-1402.

5 3. The Insurer and its security holders waived the ten (10) day advance filing notice
6 to be given as required by A.R.S. §20-481.07(D).

7 4. No evidence has been produced that would indicate or form the basis for a
8 finding that the Petitioner's acquisition of control of the Insurer:

9 a. Is contrary to law;

10 b. Is inequitable to the shareholders of any domestic insurer involved;

11 c. Would substantially reduce the security of and service to be rendered to the
12 policyholders of the domestic insurer in this State or elsewhere;

13 d. After the change of control the domestic insurer, would not be able to satisfy the
14 requirements for the reissuance of a Certificate of Authority to write the line or lines of
15 insurance for which it is presently licensed;

16 e. Would have the effect of substantially lessening competition in insurance in this
17 state, or tend to create a monopoly;

18 f. Might jeopardize the financial stability of the Insurer or prejudice the interest of its
19 policyholders, based upon the financial condition of any acquiring party;

20 g. Is unfair and unreasonable to policyholders of the Insurer and is not in the public
21 interest, based upon the plans or proposals that the acquiring party has to liquidate the insurer,
22 sell its assets or consolidate or merge it with any person, or to make any other material change
23 in its business or corporate structure or management;
24

1 h. Would not be in the public interest of policyholders of the Insurer and of the
2 public to permit the merger or other acquisition of control based upon the competence,
3 experience and integrity of those persons who would control the operation of the Insurer; or

4 i. Would likely be hazardous or prejudicial to the insurance-buying public.

5 5. The Petitioner furnished completed fingerprint cards to the Department to enable
6 the Department to determine if Petitioner's officers or directors have been charged with or
7 convicted of a felony or misdemeanor other than minor traffic violations. The results of the
8 analysis of the fingerprint cards submitted by the Petitioner's officers and directors have not
9 been received by the Department. The Petitioner's officers and directors made
10 representations material to the issuance of the Order in this matter that none of its officers or
11 directors have been charged with or convicted of a felony or misdemeanor other than minor
12 traffic violations.

13 6. The Petitioner filed the following to comply with A.R.S. §§20-481.03(A)(14) and
14 20-481.03(A)(15):

15 a. An agreement that the Petitioner will file with the Director the annual enterprise
16 risk report pursuant to A.R.S. §20-481.10(D) while in control of the insurer; and

17 b. An acknowledgement that the Petitioner and all subsidiaries in its control in the
18 insurance holding company system will provide all information requested by the Director for the
19 Director to evaluate enterprise risk to the insurer.
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1 **CONCLUSIONS OF LAW**

2 1. The application established that none of the enumerated grounds set forth in
3 A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of Petitioner's
4 acquisition of control of the Insurer.

5 2. Petitioner presented credible evidence for approval of its acquisition of control of
6 the Insurer and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.
7 §§20-481 through 20-481.32 and A.A.C. R20-6-1402.

8 **ORDER**

9 THEREFORE, I, ANDY TOBIN, Director of Insurance of the State of Arizona, for the
10 purpose of protecting and preserving the public health, safety and welfare, and by virtue of the
11 authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.32, and A.A.C. R20-6-1402
12 hereby order that :

13 1. The acquisition of control of the Insurer by the Petitioner is approved, subject to
14 the following express condition:

15 If the completed fingerprint cards furnished to the Department of Insurance reveal that
16 Petitioner's officers or directors have been charged with or convicted of a felony or
17 misdemeanor other than minor traffic violations, the individual(s) shall be removed as an officer
18 and/or director of the Petitioner within 30 days after notice to Petitioner by the Department and
19 shall be replaced with an officer or director acceptable to the Director. If Petitioner fails to take
20 the prescribed action within 30 days, this failure will constitute an immediate danger to the
21 public and the Director may immediately suspend or revoke Insurer's Certificate of Authority
22 without further proceedings.
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1 2. Subject to A.R.S. §20-481.21(A), all documents, materials and other information
2 that is in the possession or control of the Department and that was obtained by or disclosed to
3 the Director or any other person in the course of filing the application is confidential and
4 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

5 3. The Petitioner shall advise the Director in writing of the effective date of the
6 change of control.

7 4. Upon consummation of this acquisition, the Insurer shall file its registration
8 statement in the form required by A.A.C. R20-6-1403(B) and within the time period prescribed
9 by A.R.S. §20-481.13. If the registration statement would duplicate the information previously
10 submitted by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-
11 481.03 and there have been no material changes since the filing of that statement, then the
12 Insurer shall submit a statement to that effect incorporating by reference the statement
13 previously filed with the Department in lieu of the registration statement;

14 5. The failure to adhere to one or more of the above terms and conditions shall
15 result without further proceedings in the suspension or revocation of the Insurer's Certificate of
16 Authority.

17 Effective this 19 day of October, 2015.

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19 
20 **ANDY TOBIN**
Director of Insurance

21 COPY of the foregoing mailed/delivered
22 this 20th day of October, 2015, to:

23 Peter S. Rice, Senior Counsel
24 DLA Piper LLP
33 Arch Street, 26th Floor
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1 Darren Ellingson, Deputy Director of Insurance
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