

**STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

FORM A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR
MERGER WITH A DOMESTIC INSURER**

MIC General Insurance Corporation

Domestic Insurer

by

American Capital Acquisition Corporation

Applicant

Filed with the Insurance Department of Michigan

Dated: October 23, 2009

**Name, Title, Address and Telephone Number of Individual to Whom Notices and
Correspondence Concerning this Statement Should be Addressed:**

**Stephen Ungar
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With a Copy to:

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American Capital Acquisition Corporation (the "Applicant") hereby files this application (the "Application") for approval from the Michigan Office of Financial and Insurance Regulation to acquire control of MIC General Insurance Corporation (the "Company").

ITEM 1. INSURER AND METHOD OF ACQUISITION

This Application relates to the Company, a property and casualty insurance company organized under the laws of Michigan, with a principal office address of 500 West Fifth Street, Winston-Salem, North Carolina 27101-2728. The Company is a direct subsidiary of Motors Insurance Corporation ("MIC"), a property and casualty company organized under the laws of Michigan, which is in turn a direct subsidiary of GMAC Insurance Holdings, Inc. ("GMACI"), a Delaware corporation.

The contemplated transaction is by and among the Applicant, GMACI and MIC, and involves the acquisition (the "Acquisition") of the Company. The terms of the Acquisition are set forth in that certain Securities Purchase Agreement (the "Agreement") dated as of October 16, 2009, a copy of which attached hereto as Exhibit A.

Pursuant to the Agreement, the Applicant will also acquire the following companies: (i) GMAC Insurance Management Corporation, a Delaware corporation and direct subsidiary of GMACI, and its wholly-owned insurance company subsidiaries, Integon Casualty Insurance Company ("ICIC"), Integon General Insurance Corporation ("IGIC"), Integon Indemnity Corporation ("IIC"), Integon National Insurance Company ("INIC"), Integon Preferred Insurance Company ("IPIC"), and New South Insurance Company ("NSIC"), each a North Carolina domiciled property and casualty insurance company; and (ii) National General Insurance Company ("NGIC"), National General Assurance Company ("NGAC") and GMAC Insurance Company Online, Inc. ("GMACICO," and collectively with the Company, ICIC, IGIC, IIC, INIC, IPIC, NSIC, NGIC and NGAC, the "Acquired Insurers"), each a Missouri domiciled property and casualty insurance company. IPIC and NGIC are commercially domiciled in California.

Concurrent Form A applications have been filed with (i) the North Carolina Department of Insurance with respect to the Applicant's proposed acquisition of ICIC, IGIC, IPIC, IIC, INIC and NSIC, (ii) the Missouri Department of Insurance, Financial Institutions and Professional Registration with respect to the Applicant's proposed acquisition of control of NGIC, NGAC and GMACICO, and (iii) the California Department of Insurance with respect to the Applicant's proposed acquisition of control of IPIC and NGIC.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Address of Applicant

American Capital Acquisition Corporation
59 Maiden Lane, 6th Floor
New York, NY 10038

(b) *Business Operations of Applicant*

The Applicant is a Delaware corporation, formed on October 2, 2009 solely for the purposes of the Acquisition. A grantor retained annuity trust (the "GRAT"), established by Michael Karfunkel, owns all of the outstanding common stock of Applicant, which constitutes a 78.75% voting interest in the Applicant, and AmTrust Financial Services, Inc. ("AmTrust") owns all of the outstanding preferred stock of Applicant, which constitutes a 21.25% voting interest in the Applicant.

AmTrust Financial Services, Inc.

AmTrust is a multi-national specialty property and casualty insurance holding company with operations in the United States, Europe and Bermuda. Its principal operating subsidiaries are rated "A-" (Excellent) by A.M. Best Company ("A.M. Best"). AmTrust targets lines of insurance that are generally underserved by larger insurance carriers and has grown by hiring teams of underwriters with expertise in its specialty lines and through acquisitions of renewal rights to established books of specialty insurance business.

AmTrust has operations in three business segments: (i) small commercial business insurance, which includes workers' compensation, commercial package and other commercial lines produced by retail agents and brokers in the United States; (ii) specialty risk and extended warranty coverage for consumer and commercial goods and custom designed coverages, such as accidental damage plans and payment protection plans offered in connection with the sale of consumer and commercial goods in the United States, United Kingdom and certain other European Union countries; and (iii) specialty middle-market property and casualty insurance, which consists of commercial insurance programs for homogeneous, narrowly defined classes of insureds, requiring an in-depth knowledge of the insured's industry segment, through general and other wholesale agents.

Additional information about AmTrust, its affiliated companies and its business operations are included in its 2008 Annual Report, a copy of which is attached to this Application as Exhibit B.

Michael Karfunkel 2005 Grantor Retained Annuity Trust

Michael Karfunkel, as grantor, formed the Michael Karfunkel 2005 GRAT (the "GRAT") on June 28, 2005. The GRAT is subject to the agreement dated June 28, 2005 among Mr. Karfunkel, as grantor, and the trustees, who are Mr. Karfunkel and his wife, Leah Karfunkel. Mr. Karfunkel transferred his interests in certain businesses and real estate into the GRAT. The GRAT is a "qualified annuity trust" within the meaning of Section 2702(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder and is irrevocable.

Michael Karfunkel is a businessman with significant interests in insurance and real estate. He was, until mid-October 2009, the President of and former major stockholder of American Stock Transfer and Trust Company, the largest independent stock transfer agent in the United States, which he founded in 1971 and sold to an Australian private equity firm in 2008. He is the largest shareholder and Chairman of the Board of Directors of AmTrust and a founding shareholder of Maiden Holdings, Ltd., a Bermuda-based publicly-traded specialty reinsurance holding company. Mr. Karfunkel and his brother, George Karfunkel, co-own major office buildings in New York, New York, Chicago, Illinois and several other cities, among other real estate holdings. Mr. Karfunkel also is a principal shareholder of QualxServ, a large computer maintenance and service company.

The GRAT has a ten (10) year term and pays Mr. Karfunkel an annuity in monthly installments throughout its term. The annuity is payable out of the income of the GRAT. To the extent that the income would not be sufficient, the annuity would be paid out of the principal. Upon the expiration of the GRAT's term, if Mr. Karfunkel is then living, the remaining property in the GRAT shall pass to the Michael Karfunkel Family 2005 Trust (the "Family Trust"). If Mr. Karfunkel is not then living, the remaining property in the GRAT will pass to Leah Karfunkel if she is then living or, if she is not then living, to the Family Trust.

While each of the trustees has the power to act on behalf of the GRAT, any trustee may delegate to the co-trustees then in office the full powers granted by any provision of the June 28, 2005 agreement. Furthermore, Mr. Karfunkel, as grantor, has the power to remove a trustee, with or without cause and to appoint a replacement.

(c) List Indicating Certain Information Regarding the Applicant and its Affiliates

Attached hereto as Exhibit C is a chart clearly presenting the identities of the interrelationships among the Applicant and all of its affiliates, including the ultimate controlling person(s). The chart indicates the percentage of voting securities of each person that is owned or controlled by the Applicant, or by its affiliates. The chart also lists, as to each person specified in the chart, the type of organization or entity, primary business and its jurisdiction of domicile. No court proceedings involving a reorganization or liquidation are pending with respect to any such person.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

A list setting forth the names and business addresses of all directors, executive officers and owners of ten percent (10%) or more of the voting securities of the Applicant and AmTrust is attached hereto as Exhibit D. Biographical affidavits of the directors, executive officers and owners of ten percent (10%) or more of the voting securities of the Applicant and AmTrust are attached hereto as Exhibit E. Except as set forth in Exhibit E, no such person has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

The total purchase price payable by the Applicant under the Agreement will be equal to the Net Tangible Book Value as of the Closing Date, as defined in the Agreement, less \$34,500,000, of which all but \$90,000,000 will be paid at Closing. The remaining \$90,000,000 will be payable in three equal annual installments of \$30,000,000 each on the first, second and third anniversaries of the Closing Date. The Applicant will fund the Acquisition from proceeds of equity investments by the GRAT and AmTrust, both of which will fund their investment with available cash on hand.

In arriving at the value to be paid for the shares of capital stock of the Company, the Applicant reviewed and evaluated information from various sources, including the financial statements of the Company, and other information with respect to its past and current business operations, its financial condition and future prospects, and such other due diligence as the Applicant considered relevant.

The nature and amount of consideration were determined through negotiations on an arm's-length basis between unrelated parties.

ITEM 5. FUTURE PLANS OF INSURER

The Applicant has no plans nor are there any proposals to have the Company declare dividends (whether or not extraordinary), to liquidate the Company, to sell its assets, to merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management.

Attached hereto as Exhibit F is a proposed plan of operation for the Acquired Insurers.

A chart showing the projected direct, assumed, ceded and net written premiums by line and pro-forma statutory balance sheets and income statements of the Company following the Acquisition are attached hereto as Exhibit G.

The Company will continue to comply with Mich. Comp. Law § 500.5256, and books and records will continue to be maintained at its principal office at 500 West Fifth Street, Winston-Salem, North Carolina 27101-2728.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Under the terms of the Agreement and for the consideration described therein, the Applicant will acquire 50,000 shares of common stock, par value \$100.00 per share, constituting all of the authorized, issued and outstanding voting securities of the Company.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Except as set forth in the Agreement and the exhibits thereto, neither the Applicant, its affiliates nor any person listed in Item 3 beneficially owns or has a right to acquire beneficial ownership of the voting securities of the Company.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Except as set forth in the Agreement and the exhibits thereto, neither the Applicant, its affiliates, nor any person listed in Item 3 is a party to any contract, arrangement or understanding with respect to any voting securities of the Company, including but not limited to transfer of any securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the twelve (12) calendar months preceding the filing of this Application, neither the Applicant, its affiliates, nor any person listed in Item 3 has purchased any voting securities of the Company.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

During the twelve (12) calendar months preceding the filing of this Application, there have been no recommendations to purchase any voting securities of the Company by the Applicant, its affiliates or any person listed in Item 3 of this Application or by anyone based upon interviews or at the suggestion of the Applicant, its affiliates or any person listed in Item 3.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

The Applicant has made no agreements, contracts or understandings with any broker-dealers as to the solicitation of voting securities of the Company for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

The following is a list of all exhibits and financial statements that are included in and made a part of this Application:

- Exhibit A Securities Purchase Agreement dated as of October 16, 2009 by and between American Capital Acquisition Corporation, GMAC Insurance Holdings, Inc. and Motors Insurance Corporation
- Exhibit B Annual Report for AmTrust Financial Services, Inc. for the Year Ending December 31, 2008

- Exhibit C Pre- and Post-Organizational Charts of American Capital Acquisition Corporation
- Exhibit D List of Directors, Executive Officers and Owners of 10% or More of the Voting Securities of American Capital Acquisition Corporation and AmTrust Financial Services, Inc.
- Exhibit E Biographical Affidavits for Persons Listed in Exhibit D
- Exhibit F Acquired Business Plan of Operations
- Exhibit G Pro-Forma Statutory Balance Sheets and Income Statements for MIC General Insurance Corporation and Rollup Pro-Forma Financial Statements for the Acquired Insurers
- Exhibit H Annual Report with Financial Statements for AmTrust Financial Services, Inc. for the Years Ending 2006 through 2008, Amendment No. 5 to Form S-1 with Financial Statements for AmTrust Financial Services, Inc. for Years Ending 2004 and 2005, and Financial Statement dated within the last 90 days for AmTrust Financial Services, Inc.
- Exhibit I Recent Financial Statements for American Capital Acquisition Corporation and the Michael Karfunkel 2005 Grantor Retained Annuity Trust

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956, as amended, American Capital Acquisition Corporation has caused this Application to be duly signed on its behalf in the City of New York and the State of New York, on this 23 day of October, 2009.

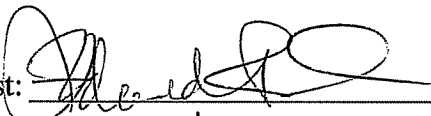
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AMERICAN CAPITAL ACQUISITION CORPORATION
(Applicant)

By: 

Name: Barry Karfunkel

Title: President

Attest: 

Name: Edward Lee

Title: Asst. Secretary

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Application dated October 23 2009, for and on behalf of American Capital Acquisition Corporation, that he is the President of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.



Name: Barry Karfunkel