

FORM A

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

HOUSEHOLD LIFE INSURANCE COMPANY

Name of Domestic Insurer

BY

PAVONIA HOLDINGS (US), INC.

Name of Acquiring Person (Applicant)

Filed with the Office of
Financial and Insurance Regulation of the State of Michigan

Dated: As of October 2, 2012

Name, Title, address and telephone number of Individual to Whom Notices and Correspondence
Concerning this Statement Should be Addressed:

Pavonia Holdings (US), Inc.
7901 4th Street N., Suite 203
St. Petersburg, FL 33702
Attention: Thomas J. Balkan, Secretary
Telephone: (727) 217-2908

With copies to:

Drinker Biddle & Reath LLP
One Logan Square, Ste. 2000
Philadelphia, PA 19103-6996
Attention: Daniel W. Krane, Esq.
Telephone: (215) 988-2488

and

Enstar (US) Inc.
411 Fifth Avenue,
New York, NY 10016
Attention: Thomas Nichols
Telephone: (212) 790-9877

ITEM 1. METHOD OF ACQUISITION

The name and address of the domestic insurer to which this Form A statement (“Form A”) applies are as follows:

Household Life Insurance Company
500 Woodward Avenue – Suite 4000
Detroit, MI 48226-3425

Household Insurance Group Holding Company, a Delaware corporation (“HIGHC”), currently owns all the issued and outstanding shares of capital stock (collectively, the “Shares”) of each of (i) HSBC Insurance Company of Delaware, a Delaware domiciled property and casualty insurance company (“HSBC DE”), and (ii) Household Life Insurance Company of Delaware, a Delaware domiciled life insurance company (“HLIC DE”). HLIC DE, in turn, owns all the issued and outstanding shares of the capital stock of Household Life Insurance Company, a Michigan domiciled life insurance company (“Domestic Insurer”), which in turn owns all the issued and outstanding shares of capital stock of First Central National Life Insurance Company of New York, a New York domiciled life insurance company (“FCNLIC NY”).¹ HLIC DE also owns all the issued and outstanding shares of the capital stock of Household Life Insurance Company of Arizona, an Arizona domiciled life insurance company (“HLIC AZ”).

Enstar Group Limited, a Bermuda exempted company that is publicly traded on the NASDAQ Global Select Market (“Enstar”), Pavonia Holdings (US), Inc., a Delaware corporation and an indirect, wholly-owned subsidiary of Enstar (“Applicant”), and HIGHC have entered into a Stock Purchase Agreement, dated as of September 6, 2012 (the “Stock Purchase Agreement”), pursuant to which Applicant has agreed to purchase the Shares from HIGHC, and HIGHC has agreed to sell the Shares, all upon on the terms and subject to the conditions more fully set forth in the Stock Purchase Agreement. Following the closing (the “Closing”) of the transactions contemplated in the Stock Purchase Agreement (the “Proposed Transactions”), HSBC DE, HLIC DE, HLIC AZ, FCNLIC NY and the Domestic Insurer will each become an indirect, wholly-owned subsidiary of Enstar. A redacted copy of the Stock Purchase Agreement is attached hereto as Exhibit A.

The Proposed Transactions are subject to certain conditions to Closing more fully set forth in the Stock Purchase Agreement, including (a) filings with, and consents, approvals, permits and authorizations from, certain governmental authorities, including approval of each Non-Domestic Form A, and (b) consents, waivers, clearances, approvals and authorizations of third parties under certain contracts and agreements.

¹ The Applicant has filed a Form A Statement Regarding the Acquisition of Control of HSBC DE and HLIC DE with the Delaware Department of Insurance, a Form A Statement Regarding the Acquisition of Control of HLIC AZ with the Arizona Department of Insurance, and an Application for Approval of Acquisition of Control of FCNLIC NY with the New York Department of Financial Services (each individually, a “Non-Domestic Form A”) in addition to the instant Form A.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Address of Applicant

Pavonia Holdings (US), Inc.
7901 4th Street N., Suite 203
St. Petersburg, FL 33702
Attention: Thomas J. Balkan, Secretary

(b) Nature of Business of Applicant

Applicant is a holding company formed under Delaware law on August 22, 2012. Applicant has not conducted any business previously and does not have any predecessors. The business intended to be done by Applicant is to purchase and hold the Shares from HIGHC pursuant to the Stock Purchase Agreement. Enstar, the ultimate controlling parent of Applicant, is a publicly-traded Bermuda exempted company in the business of owning and operating insurers and reinsurers located throughout the world, all of which are in run-off. A more detailed description of Enstar and its business is contained in its Annual Reports on Form 10-K for the past five years and the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, filed with the United States Securities and Exchange Commission (“SEC”) and attached hereto as Exhibit C-2 and Exhibit C-3, respectively.

(c) Organizational Chart

An organizational chart (the “Organizational Chart”) presenting the identities of the interrelationships among Applicant and all affiliates of Applicant is attached hereto as Exhibit B. There are no court proceedings pending involving a reorganization or liquidation with respect to Applicant or its affiliates listed on the Organizational Chart.

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

(a) A list of all current directors and executive officers of Applicant and of all directors and executive officers of owners of 10% of voting securities of the Applicant is attached hereto as Exhibit D. Completed biographical affidavit forms executed by the directors and executive officers identified in Exhibit D and each individual identified in Exhibit E and described in Item 5 as a proposed director and/or executive officer of the Domestic Insurer are being submitted to the Commissioner of the Office of Financial and Insurance Regulation of the State of Michigan (the “Commissioner”) under separate cover (the “Biographical Affidavits”).

(b) Except as may be disclosed in the Biographical Affidavits, to Applicant’s knowledge, none of the individuals identified in Exhibit D and Exhibit E have been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years or had any civil judgments against such person resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) As more fully set forth in the Stock Purchase Agreement and subject to the terms and conditions set forth therein, at the Closing, Applicant will purchase the Shares from HIGHC. At the Closing, Applicant will pay an estimated purchase price, which will subsequently be adjusted under the terms of the Stock Purchase Agreement based upon, among other things, changes to the capital and surplus of HSBC DE and HLIC DE prior to the Closing (the “Purchase Price”). Enstar presently anticipates that it will cause one of its affiliates to draw on an existing line of credit, and lend to Applicant an amount that will be up to, but will not equal or exceed, 50% of the Purchase Price. Enstar presently anticipates that it will contribute to Applicant the balance of the Purchase Price from internally generated funds. Enstar and Applicant do not intend to pledge any of the capital stock or assets of the Domestic Insurer or the stock of any of the Domestic Insurer’s subsidiaries or controlling affiliates in connection with any such loan.

(b) The Purchase Price was reached through arm’s length negotiations between Enstar and Applicant, on the one hand, and HIGHC, on the other. Enstar and Applicant are not affiliated with HIGHC or the Domestic Insurer.

ITEM 5. FUTURE PLANS FOR INSURER

Except as otherwise may be disclosed in the Business Plan for the Domestic Insurer (the “Business Plan”), Applicant has no present intention to declare a dividend from the Domestic Insurer (whether ordinary or extraordinary), to liquidate the Domestic Insurer, to sell its assets to or merge it with any other person or persons or to make any other material change in its business operations or corporate structure or management.

As more fully described in the Business Plan, Applicant intends to continue the ordinary run-off of the Domestic Insurer. A copy of the Business Plan is being submitted to the Commissioner under separate cover.

Applicant currently contemplates that after the consummation of the Proposed Transactions, the individuals set forth on Exhibit E will be the directors and executive officers of the Domestic Insurer. Applicant and Enstar are also in the process of reviewing staffing needs of the Domestic Insurer, including current executive officer positions. Applicant may retain one or more of the Domestic Insurer’s current executive officers, although possibly in different positions within the Domestic Insurer or the Enstar family of companies.

Information regarding the individuals set forth in Exhibit E is set forth in the Biographical Affidavits.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Applicant will acquire 100% of the ownership of HLIC DE and HSBC DE. The Purchase Price was arrived at through arm’s length negotiations between HIGHC, on the one

hand, and Applicant and Enstar, on the other. HIGHC is not affiliated with Applicant or Enstar. Applicant will, through the acquisition of Shares of HLIC DE, indirectly acquire control of the Domestic Insurer. The number of shares of the Domestic Insurer owned by HLIC DE is 250,000.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than the Shares owned by HIGHC, there are no securities of HLIC DE or the Domestic Insurer that are beneficially owned or concerning which there is a right to acquire beneficial ownership by Applicant, its affiliates or any person listed in Exhibit D or Exhibit E.

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

Other than the Stock Purchase Agreement and the Proposed Transactions, there exists no contract, arrangement or understanding with respect to any voting security of HLIC DE or the Domestic Insurer in which Applicant, its affiliates or any person listed in Exhibit D or Exhibit E is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Other than the proposed acquisition by Applicant of the Shares pursuant to the Stock Purchase Agreement, there have been no purchases of any voting securities of HLIC DE or the Domestic Insurer by Applicant, its affiliates or any person listed in Exhibit D or Exhibit E during the twelve (12) calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Other than the proposed acquisition by Applicant of the Shares pursuant to the Stock Purchase Agreement, there have been no recommendations to purchase of any voting security of HLIC DE or the Domestic Insurer made by Applicant, its affiliates, any person listed in Exhibit D or any person listed in Exhibit E, or by anyone based upon interviews or at the suggestion of Applicant, its affiliates or any person listed in Exhibit D or Exhibit E during the twelve (12) calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

There are no agreements, contracts or understandings made between or among Applicant, any of its affiliates or any person listed in Exhibit D or Exhibit E and any broker-dealer as to solicitation of voting securities of the Domestic Insurer for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Attached hereto are the following exhibits:

Exhibit A:	Stock Purchase Agreement
Exhibit B:	Organizational Chart
Exhibit C-1:	Unaudited Financial Statements of Pavonia Holdings (US), Inc. as of September 30, 2012
Exhibit C-2-A:	SEC Form 10-K Annual Report for the fiscal year ended December 31, 2011 for Enstar Group Limited
Exhibit C-2-B:	SEC Form 10-K Annual Report for the fiscal year ended December 31, 2010 for Enstar Group Limited
Exhibit C-2-C:	SEC Form 10-K Annual Report for the fiscal year ended December 31, 2009 for Enstar Group Limited
Exhibit C-2-D:	SEC Form 10-K Annual Report for the fiscal year ended December 31, 2008 for Enstar Group Limited
Exhibit C-2-E:	SEC Form 10-K Annual Report for the fiscal year ended December 31, 2007 for Enstar Group Limited
Exhibit C-3:	SEC Form 10-Q Quarterly Report for the quarterly period ended June 30, 2012 for Enstar Group Limited
Exhibit D:	List of Directors and Executive Officers of Pavonia Holdings (US), Inc. and of 10% Owners
Exhibit E:	List of Proposed Directors and Executive Officers of the Domestic Insurer
Exhibit F-1:	Annual Report to Stockholders for the fiscal year ended December 31, 2011 for Enstar Group Limited
Exhibit F-2:	Annual Report to Stockholders for the fiscal year ended December 31, 2010 for Enstar Group Limited

(b) Other than the Stock Purchase Agreement, there are no tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of HLIC DE or the Domestic Insurer, or additional soliciting material relating thereto.

(c) Except as otherwise may be disclosed in the Business Plan, there are no proposed employment, consultation, advisory, managing general agent, controlling producer, or management contracts concerning the Domestic Insurer.

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 1311 of the Ins. Code of 1956, as amended, Pavonia Holdings (US), Inc. has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the ___ day of _____, 2012.

(SEAL)

PAVONIA HOLDINGS (US), INC.

By: _____

Name:

Title:

Attest:

Name:

Title:

CERTIFICATION

The undersigned deposes and says that she or he has duly executed the attached application dated _____, 2012, for and on behalf of Pavonia Holdings (US), Inc., that she or he is the _____ of such company, and that she or he is authorized to execute and file such instrument. Deponent further says that she or he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

Name:

EXHIBIT A

Stock Purchase Agreement

EXHIBIT B
Organizational Chart

EXHIBIT C-1

Unaudited Financial Statements of Pavonia Holdings (US), Inc. as of September 30, 2012

EXHIBIT C-2-A

**SEC Form 10-K Annual Report for the fiscal year
ended December 31, 2011 for Enstar Group Limited**

EXHIBIT C-2-B

**SEC Form 10-K Annual Report for the fiscal year
ended December 31, 2010 for Enstar Group Limited**

EXHIBIT C-2-C

**SEC Form 10-K Annual Report for the fiscal year
ended December 31, 2009 for Enstar Group Limited**

EXHIBIT C-2-D

**SEC Form 10-K Annual Report for the fiscal year
ended December 31, 2008 for Enstar Group Limited**

EXHIBIT C-2-E

**SEC Form 10-K Annual Report for the fiscal year
ended December 31, 2007 for Enstar Group Limited**

EXHIBIT C-3

**SEC Form 10-Q Quarterly Report for the quarterly period
ended June 30, 2012 for Enstar Group Limited**

EXHIBIT D

**List of Directors and Executive Officers of Pavonia Holdings (US), Inc. and
and of 10% Owners**

EXHIBIT E

List of Proposed Directors and Executive Officers of the Domestic Insurer

EXHIBIT F-1

**Annual Report to Stockholders for the fiscal year
ended December 31, 2011 for Enstar Group Limited**

EXHIBIT F-2

**Annual Report to Stockholders for the fiscal year
ended December 31, 2010 for Enstar Group Limited**