

FORM A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF A DOMESTIC
INSURER**

COREPOINTE INSURANCE COMPANY

A Domestic Insurer

BY

AMTRUST FINANCIAL SERVICES, INC.

(Applicant)

Filed with the Michigan Department of Insurance and Financial Services

December 12, 2014

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

Stephen B. Ungar
General Counsel
AmTrust Financial Services, Inc.
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ITEM 1. METHOD OF ACQUISITION

This Statement relates to the proposed acquisition (the “Proposed Acquisition”) by AmTrust Financial Services, Inc., a Delaware corporation (the “Applicant”), of a Michigan domestic stock insurer, CorePointe Insurance Company (the “Domestic Insurer”). The address of the Domestic Insurer is:

401 S. Old Woodward Ave.
Suite 300
Birmingham, MI 48009

The Domestic Insurer is the direct 100% owner of CorePointe Insurance Agency, Inc., a Michigan corporation (“Subsidiary”).

Control of the Domestic Insurer will be acquired pursuant to the terms of a Stock Purchase Agreement dated as of November 23, 2014 entered into between the Applicant and CorePointe Group LLC (“CP Group”), the direct parent of the Domestic Insurer (the “Stock Purchase Agreement”). Pursuant to the terms of the Stock Purchase Agreement, the Applicant will acquire 100% of the issued and outstanding shares capital stock of the Domestic Insurer, consisting of 1 million (1,000,000) shares of common stock. As a result of the Proposed Acquisition, the Applicant will become the ultimate controlling person of the Domestic Insurer and the Subsidiary. A copy of the Stock Purchase Agreement is attached as Exhibit 1.

The Proposed Acquisition is subject to customary closing conditions, including regulatory approval by the Michigan Department of Insurance and Financial Services (the “Department”).

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) The full name of the party seeking to acquire control of the Domestic Insurer is AmTrust Financial Services, Inc. The Applicant’s business address is 59 Maiden Lane, 43rd Floor, New York, NY 10038. Following the closing of the Proposed Acquisition, the Applicant’s business address will be the same.

(b) The Applicant, through its subsidiaries, underwrites and provides property and casualty insurance in the United States and internationally. Applicant currently owns eight insurers admitted in Michigan: Security National Insurance Company (NAIC No. 19879); Technology Insurance Company, Inc. (NAIC No. 42376); Wesco Insurance Company (NAIC No. 25011); Milwaukee Casualty Insurance Co. (NAIC No. 26662); AmTrust Insurance Company of Kansas, Inc. (NAIC No. 15954); Sequoia Insurance Company (NAIC No. 22985); First Nonprofit Insurance Company (NAIC No. 10859); and Developers Surety and Indemnity Company (NAIC No. 12718). Applicant also has two insurance subsidiaries conducting surplus lines business in Michigan: AmTrust International Underwriters Limited (NAIC Alien ID No. AA-1780074) and Associated Industries Insurance Company, Inc. (NAIC No. 23140).

Applicant operates in three general segments: Small Commercial Business, Specialty Risk and Extended Warranty, and Specialty Program. The Small Commercial Business segment provides workers compensation, commercial package, and other commercial insurance lines to small businesses through wholesale and retail agents, and brokers.

The Specialty Risk and Extended Warranty segment provides coverage for consumer and commercial goods; custom designed coverages, such as accidental damage plans and payment protection plans; and coverage for niche property, casualty, and specialty liability risks comprising general liability, employers' liability, and professional and medical liability.

The Specialty Program segment provides workers' compensation; package products; general liability; commercial auto liability; excess and surplus lines programs; and other specialty commercial property and casualty insurance. This segment serves small and middle market companies through general and wholesale agents.

Attached as Exhibit 12(a)(i) are audited financial statements for the years 2011, 2012 and 2013 for Applicant. Attached as Exhibits 3(i) and 3(ii) are Applicant's Annual Reports for the years 2012 and 2013 respectively. Attached as Exhibit 12(a)(ii) are Applicant's unaudited financial statements as of September 30, 2014.

(c) Organizational charts depicting Applicant and all persons known to control the Applicant both prior to (the "Pre-Closing Organizational Chart of Applicant") and upon the Closing (the "Closing Organizational Chart of Applicant") of the Proposed Acquisition are attached hereto as Exhibit 2(c)(i) and 2(c)(ii), respectively. No court proceedings involving a reorganization or liquidation are pending with respect to any person identified in Exhibit 2(c)(i).

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

(a), (b), (c) and (d) The names and titles of Applicant's executive officers and directors and the owners of 10% or more of Applicant's shares of voting securities are as follows:

Name	Title
Max G. Caviat	President, European Operations
Donald T. DeCarlo	Director
Susan C. Fisch	Director
Abraham Gulkowitz	Director
George Karfunkel	Director and 10%+ Shareholder
Leah Karfunkel	10%+ Shareholder
Michael Karfunkel	Chairman and 10%+ Shareholder
Christopher M. Longo	Chief Information Officer
Jay J. Miller	Director
Ronald E. Pipoly, Jr.	Chief Financial Officer
David H. Saks	Executive Vice President and Chief Legal Officer
Michael J. Saxon	Chief Operating Officer
Harry Schlachter	Treasurer

Stephen B. Ungar

Senior Vice President, General Counsel and
Secretary

Barry D. Zyskind

Chief Executive Officer, President, Director and
10%+ Shareholder

Attached hereto as Exhibit 3 are NAIC Biographical Affidavits for the above-referenced persons. To the best knowledge, information and belief of Applicant, except as noted in one of the affidavits, none of such persons has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten (10) years. An organizational chart illustrating the ownership structure of Applicant is included in Exhibit 2(c)(i), and please see the Annual Reports of Applicant for the years 2011 and 2010 included in Exhibits 3(i) and 3(ii), respectively.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) As set forth in detail in Sections 2.2 and 2.6 of the Stock Purchase Agreement, the consideration for the Proposed Transaction will consist of an Initial Purchase Price of \$73,800,000, subject to a post-closing purchase price adjustment linked to a baseline adjusted tangible book value of the Domestic Insurer of \$90,000,000 at the time of closing.

The Applicant will have sufficient cash on hand to fund the entire purchase price. Notwithstanding, the Applicant has access to a \$350 million credit facility ("Credit Agreement"), which it may wish to access for some portion of the purchase price, depending on what Applicant considers to be the most efficient use of its capital. The Credit Agreement, a copy of which is attached as Exhibit 4(a), was entered into on September 12, 2014 and provides for the extension of \$350 million in loans to be available to Applicant and is between and among JPMorgan Chase Bank, N.A., as Administrative Agent, KeyBank National Association and SunTrust Bank, as Co-Syndication Agents, Associated Bank, National Association and Lloyds Securities Inc., as Co-Documentation Agents and various other lending institutions. The Credit Agreement is a revolving credit facility with a letter of credit sublimit of \$175 million and an expansion feature not to exceed \$150 million. Proceeds of borrowing under the Credit Agreement may be used for working capital, acquisitions and general corporate purposes.

(b) The purchase price will consist wholly of cash. The nature and amount of the consideration involved in the purchase of the Domestic Insurer was determined through arm's length negotiations between unrelated parties.

(c) Not applicable.

ITEM 5. FUTURE PLANS FOR INSURER

(a) Except as otherwise provided in this Item 5, the Applicant has no plans or proposals to declare any extraordinary dividend, affect or cause the liquidation or merger of the Domestic Insurer, sell the Domestic Insurer's assets, or make or cause any other major change in the Domestic Insurer's business operations or corporate structure or management. The Domestic Insurer has sought and received conditional approval from the Department for the Domestic

Insurer to pay a dividend of \$60 million, of which \$46.6 million is considered extraordinary, immediately prior to the closing of the Proposed Acquisition. By letter dated October 9, 2014 from the Department to the Domestic Insurer, the Department's approval of the dividend payment was granted conditional upon the Department's approval of this Statement and the consummation of the Proposed Acquisition.

- (i) *Agreements with Affiliates.* Following the Closing, the Domestic Insurer will enter into the following agreements with the Applicant and its affiliates:
- *Tax Allocation Agreement.* It is contemplated that immediately following the Closing, the Applicant and the Domestic Insurer will enter into a Tax Sharing Agreement (the "Tax Allocation Agreement"). Notification with respect to the Tax Allocation Agreement under Section 500.1341(d) of the Michigan Insurance Code will be provided to the Department under separate cover.
 - *Management Agreement.* It is contemplated that immediately following the Closing, the Applicant and the Domestic Insurer will enter into an Intercompany Management Agreement (the "Management Agreement"). Under this agreement certain management services would be provided to the Domestic Insurer on an at-cost basis. Notification with respect to the Management Agreement under Section 500.1341(d) of the Michigan Insurance Code will be provided to the Department under separate cover.
 - *General Agency Agreement.* It is contemplated that immediately following the Closing, the Domestic Insurer will enter into a General Agency Agreement (the "General Agency Agreement") with one of the Applicant's subsidiaries, AmTrust North America, Inc. ("ANA"). Under this agreement, certain agency, underwriting, policy administration and claims administration services would be provided to the Domestic Insurer. Notification with respect to the General Agency Agreement under Section 500.1341(d) of the Michigan Insurance Code will be provided to the Department under separate cover.
 - *Intercompany Reinsurance Agreement.* It is contemplated that immediately following the Closing, AmTrust International Insurance, Ltd., a wholly-owned subsidiary of the Applicant, and the Domestic Insurer will enter into a certain AmTrust Intercompany Reinsurance Agreement (the "Intercompany Reinsurance Agreement"). Notification with respect to the Intercompany Reinsurance Agreement under Section 500.1341(c) of the Michigan Insurance Code will be provided to the Department under separate cover.

Approval (or non-disapproval) of the Management Agreement, General Agency Agreement, and Intercompany Reinsurance Agreement will be requested contemporaneous with the approval of the Proposed Acquisition that is the subject of this Statement.

Applicant does not anticipate any significant changes to the manner in which the Domestic Insurer conducts its business operations. Certain administrative functions currently being conducted by the Domestic Insurer will, in time, be integrated into the Applicant's operations.

Following the closing of the Proposed Transaction, certain management personnel of Applicant will work with the Domestic Insurer on plans to continue operating their property and casualty businesses. Moreover, Applicant expects to make available to the Domestic Insurer various resources from Applicant's current operations, including agency force information, marketing strategies, underwriting best practices, claims administration and information technology services. With improved technology and internal processes, it is expected that some operating structures will change and lower operating expenses will be realized. The Domestic Insurer's improved expense ratios are expected to boost the Domestic Insurer's profitability, and provide the opportunity for increased growth.

(b) Attached at Exhibit 5(b) is a 5 year business plan which describes the types of business to be written by the Domestic Insurer, marketing plan, projected direct, assumed, ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements.

In addition, at Closing, the Applicant will reconstitute the Domestic Insurer's board of directors and slate of officers with the following persons:

Proposed Board of Directors of Domestic Insurer Post-Acquisition
Donald Thomas DeCarlo
Jay Jerome Miller
Harry Schlachter
Stephen Barry Ungar
Barry Dov Zyskind
James S. Haan

Proposed Officers of Domestic Insurer Post-Acquisition
James S. Haan, President
Kerry James Heitz, Treasurer
Stephen Barry Ungar, Secretary
Barry Wolff Moses, Vice President and Assistant Secretary

Biographical affidavits for these individuals are included in Exhibit 3, except for Mr. James. S. Haan. Mr. Haan's biographical information is on file with the Department.

The books and records of the Domestic Insurer will remain at its home offices in Michigan.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Pursuant to the terms of the Stock Purchase Agreement, the Applicant will acquire one million (1,000,000) issued and outstanding shares of the capital stock of the Domestic Insurer, representing 100% of the issued and outstanding shares of capital stock of the Domestic Insurer. There is no other plan by which the Applicant, its affiliates and any person listed in Item 3 plan to acquire voting shares of the Domestic Insurer.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Except as otherwise disclosed in this Statement, there are no classes of any voting security of the Domestic Insurer which are beneficially owned or concerning which there is a right to acquire beneficial ownership by the Applicant, its affiliates or any person listed in Item 3.

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

Except as otherwise disclosed in this Statement, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurer in which the Applicant, its affiliates or any person listed in Item 3 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, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Except as otherwise disclosed in this Statement, there have been no purchases of any voting securities of the Domestic Insurer by the Applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Except as otherwise disclosed in this Statement, no recommendations to purchase any voting security of the Domestic Insurer have been made by the Applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the Applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in this Statement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

The following exhibits are attached:

Exhibits

Exhibit 1:	Stock Purchase Agreement
Exhibit 2(c)(i):	Pre-Closing Organizational Chart of Applicant
Exhibit 2(c)(ii):	Closing Organizational Chart of Applicant
Exhibit 3:	NAIC Biographical Affidavits of Executive Officers, Directors and 10% owners of Applicant
Exhibit 3(i):	Applicant's Annual Report for 2012
Exhibit 3(ii):	Applicant's Annual Report for 2013
Exhibit 4(a):	Credit Agreement
Exhibit 5(b):	Business plan and projections
Exhibit 12(a)(i):	Applicant's audited Financial Statement for years 2011 – 2013
Exhibit 12(a)(ii):	Applicant's unaudited Financial Statement as of September 30, 2014

ITEM 13. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

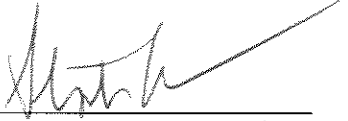
SIGNATURE


Pursuant to the requirements of Section 1311 of the Ins. Code of 1956, as amended, AmTrust Financial Services, Inc. has caused this application to be duly signed on its behalf in the City of New York and State of New York on the 11th day of December, 2014.

(SEAL)

AMTRUST FINANCIAL SERVICES, INC.



BY 
Stephen B. Ungar, General Counsel and Secretary

Attest: 
(Signature of Officer)