

MAY 20 2016

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FORM A

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

Berkley Insurance Company  
(Applicant)

By

Intrepid Insurance Company  
(Domestic Insurer)

Filed with the Michigan Department of Insurance and Financial Services

Dated: May 18, 2016

Notices & Correspondence Concerning this Statement Should be Addressed as Follows:

Berkley Insurance Company  
475 Steamboat Road  
Greenwich, CT 06830  
Attn.: Matthew M. Ricciardi  
Tel.: 203-629-3037  
Email: [mricciardi@wrberkley.com](mailto:mricciardi@wrberkley.com)

With a Copy to:

Dykema Gossett PLLC  
Capitol View  
201 Townsend Street, Suite 900  
Lansing, MI 48933  
Attn.: Sandra M. Cotter  
Tel.: 517-374-9129  
Email: [scotter@dykema.com](mailto:scotter@dykema.com)

**ITEM 1. METHOD OF ACQUISITION**

*State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.*

**Applicant's Response:** Pursuant to the Purchase Agreement (as defined below), the Applicant proposes to acquire all of the issued and outstanding capital stock of the Domestic Insurer, whose address is set forth below:

Intrepid Insurance Company  
36455 Corporate Drive  
Farmington Hills, MI 48331

**ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

(a) *State the name and address of the applicant seeking to acquire control over the insurer.*

**Applicant's Response:**

Berkley Insurance Company  
475 Steamboat Road  
Greenwich, CT 06830

(b) *If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence. Describe the business intended to be done by the applicant and the applicant's subsidiaries.*

**Applicant's Response:** Applicant is a Delaware domiciled property and casualty insurance and reinsurance company and has an A. M. Best rating of A+ (Superior) Financial Size Category XV. Applicant is a wholly owned subsidiary of Signet Star Holdings, Inc. which is a wholly owned subsidiary of the ultimate parent, W. R. Berkley Corporation, a publicly traded Delaware corporation.

For further information see the business description on page 1, Part I Item 1 Business in the W. R. Berkley Corporation Annual Report on Form 10K for the fiscal year ended December 31, 2015 which is incorporated in the W. R. Berkley Corporation 2015 Annual Report at Exhibit 12b-3.

(c) *Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant, including the ultimate controlling person(s). Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any such other person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g., corporation, trust, partnership), primary business (e.g., holding company, insurance agency, manufacturer) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.*

**Applicant's Response:** See Schedule Y in Applicant's 2015 Annual Statement at Exhibit 12b-1.

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

*On the biographical affidavit, include a third party background check and state the following with respect to (1) the applicant if she or he is an individual, (2) if the applicant is not an individual, all persons who are, or who have been selected to be, directors, executive officers (or others who perform or will perform functions appropriate to those positions), or owners of 10% or more of the voting securities of the applicant, and if the applicant is not an individual.*

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(c) Material occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith;

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case;

(e) Upon the request of the Commissioner, individuals shall provide fingerprint cards pursuant to Section 249a for state, multi-state, and federal criminal history record checks.

**Applicant's Response:** See attached biographical affidavits, fingerprint cards and background check authorizations at Exhibit 3 for the following individuals who are the executive officers and directors of Applicant:

Berkley, William R.	Director (Chairman of the Board)
Berkley, Jr., W. Robert	Director and President
Ballard, Eugene G.	Director, Senior Vice President and Treasurer
Hancock, Paul J.	Director
LaPunzina, Carol J.	Director and Assistant Secretary
Lederman, Ira S.	Director, Senior Vice President and Secretary
Madsen, C. Fred	Director
Mansolillo, Scott	Senior Vice President, Chief Compliance Officer
Shiel, James	Senior Vice President, Chief Investment Officer
Tavares, Nelson	Senior Vice President - Claims

#### **ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

(a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. Describe any transaction where funds were or are to be obtained for such purpose, including any pledge of the insurer's stock or pledge of the stock of any of its subsidiaries or controlling affiliates. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.

**Applicant's Response:** The amount of funds used by Applicant to pay Daimler Investments US Corporation, a Delaware corporation (the "Seller"), in exchange for the acquisition of all of the issued and

outstanding capital stock of the Domestic Insurer is expected to be approximately fifteen million five hundred and five thousand dollars (\$15,505,000). Pursuant to the Stock Purchase Agreement dated May 5, 2016 between the Applicant and the Seller (the "Purchase Agreement") (attached as Exhibit 12c-1), the purchase price is the sum of (i) five million five hundred and five thousand dollars (\$5,505,000) and (ii) the Domestic Insurer's statutory capital and surplus as of the date of the closing of such acquisition (the "Closing"). As of the Closing, the Domestic Insurer's statutory capital and surplus is expected to be approximately ten million dollars (\$10,000,000). The consideration set forth in (i) above may be decreased at or after the Closing if any state insurance licenses of the Domestic Insurer are rescinded, revoked or otherwise materially restricted or impaired. The Applicant shall use cash from its current funds, and no new borrowings are involved.

*(b) Explain the criteria used in determining the nature and amount of such consideration.*

**Applicant's Response:** The Applicant and the Seller negotiated at arms-length to determine the consideration.

*(c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, the applicant must specifically request that the identity be kept confidential.*

**Applicant's Response:** Not applicable.

#### **ITEM 5. FUTURE PLANS FOR INSURER**

*Describe any plans or proposals which the applicant may have for the insurer to declare a dividend, (whether or not extraordinary), to liquidate the insurer, 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.*

**Applicant's Response:** See the proposed Plan of Operation of Domestic Insurer at Exhibit 5-1. At or prior to the Closing, the existing officers and directors of the Domestic Insurer shall resign. See attached biographical affidavits, fingerprint cards and background check authorizations at Exhibit 5-2 for the proposed officers and directors following the Closing.

Following the Closing, Applicant intends, subject to necessary regulatory approvals, to redomesticate the Domestic Insurer from the state of Michigan by December 31, 2016.

Applicant does not have any plans or proposals for the Domestic Insurer to declare a dividend (whether or not extraordinary), to liquidate the Domestic Insurer, to sell its assets or to merge it with any person or persons.

#### **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

*State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.*

**Applicant's Response:** Pursuant to the Purchase Agreement, at the Closing the Applicant will acquire two hundred thousand (200,000) shares of common stock, fifty dollar (\$50) par value, which represents

all of the issued and outstanding capital stock of the Domestic Insurer. See Item 4 and Item 8 for a more detailed description of the consideration and the Purchase Agreement, respectively.

**ITEM 7. OWNERSHIP OF VOTING SECURITIES**

*State the amount of each class of any voting security of the insurer which is 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.*

**Applicant's Response:** Applicant does not own currently any voting securities of the Domestic Insurer. Pursuant to the Purchase Agreement, at the Closing the Applicant will acquire two hundred thousand (200,000) shares of common stock, par value fifty dollars (\$50) per share, which represents all of the issued and outstanding capital stock of the Domestic Insurer.

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

*Give a full description of any contracts, arrangements or understandings with respect to any voting security of the 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. Such description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.*

**Applicant's Response:** Pursuant to the Purchase Agreement by and between the Applicant and the Seller, all of the issued and outstanding capital stock of the Domestic Insurer will be purchased by the Applicant for a total purchase price of approximately fifteen million five hundred and five thousand dollars (\$15,505,000). The purchase price is the sum of (i) five million five hundred and five thousand dollars (\$5,505,000) and (ii) Domestic Insurer's statutory capital and surplus as of the Closing. At Closing, the Domestic Insurer's statutory capital and surplus is expected to be approximately ten million dollars (\$10,000,000).

The consummation of the transaction is subject to customary closing conditions set forth in Articles VI and VII of the Purchase Agreement, and receipt of the approval from the Department of Insurance and Financial Services of the State of Michigan ("DIFS"). The Closing shall take place at the offices of the Seller's outside counsel - Akerman LLP, 666 Fifth Avenue, 20<sup>th</sup> Floor, New York, NY 10103 - within seven (7) business days following the date on which the approval of the acquisition has been obtained from DIFS or such other time and date as the Applicant and the Seller may agree in writing, subject to satisfaction or waiver of each of the closing conditions set forth in Articles VI and VII.

**ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

*Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.*

**Applicant's Response:** There have been no acquisitions of voting securities of the Domestic Insurer in the past twelve (12) months by the Applicant or any of its affiliates other than as proposed pursuant to the Purchase Agreement (as described above in Item 8).

#### **ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

*Describe any recommendations to purchase any voting security of the insurer 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.*

**Applicant's Response:** There have been no recommendations to acquire any voting securities of the Domestic Insurer in the past twelve (12) months by the Applicant or any of its affiliates.

#### **ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

*Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.*

**Applicant's Response:** Applicant did not utilize a broker-dealer for the proposed transaction. Applicant understands that the Seller engaged the services of a broker, Merger & Acquisition Services, Inc., to assist in finding a purchaser for the Domestic Insurer, but Applicant is not privy to their arrangement.

#### **ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

*(a) Financial statements, exhibits, and three-year financial projections of the insurer(s) shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached. Also provide a three-year narrative business plan which describes the types of business to be written by the insurer, and marketing plan. The financial projections shall include projected direct, assumed, ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements. Also, describe proposed changes to the insurer's reinsurance program (if any), amount, timing, and type of capital contributions (if any), proposed changes to the insurer's executive officers and directors, and compliance plan with the "books and records in Michigan" requirement of Section 5256.*

**Applicant's Response:** See the proposed Plan of Operations for the Domestic Insurer at Exhibit 5-1, which includes information as to reinsurance changes and changes to the executive officers and directors of the Domestic Insurer. After the Closing and subject to authorization by DIFS, the Domestic Insurer intends to maintain the books and records at its primary operating location at 10851 Mastin Boulevard, Suite 200, Overland Park, KS 66210. Domestic Insurer will submit an undertaking concerning location and production of the books and records. See Exhibit 12a-1

For the three year pro forma financial projections see Exhibit 12a-2. The current financial statements (Quarterly Statement for the period ending March 31, 2016 and the Annual Statement for the year ended December 31, 2015) for the Domestic Insurer have been filed previously with the DIFS in the normal course.

*(b) The financial statements shall include the audited annual financial statements of the persons (both corporate and individual) identified in Item 2(c), including individuals who are applying to be the*

*ultimate controlling persons, for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year as of a date not earlier than 90 days prior to the filing of the statement, if the information is available. The statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business. The consolidated financial statements shall include the consolidating work sheets.*

*Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the Personal Financial Statements Guide by the American Institute of Certified Public accountants. Personal financial statement shall be accompanied by the independent public accountant's Standard Review Report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.*

*The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of the person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.*

**Applicant's Response:** See attached Exhibit 12b-1 for Applicant's Annual Statements for the years ended December 31, 2011, 2012, 2013, 2014 and 2015, as well as Quarterly Statement for the period ended March 31, 2016.

See attached Exhibit 12b-2 for Applicant's audited financial statements for the years ended December 31, 2011, 2012, 2013 and 2014. The audited financial statements for 2015 will be filed supplementally when available.

Signet Star Holdings, Inc. does not produce financial statements.

See Attached Exhibit 12b-3 for the five years of financial statements for the ultimate controlling parent, W. R. Berkley Corporation, in the Annual Reports, including Form 10K, for the years ended December 31, 2011, 2012, 2013, 2014 and 2015 and the quarterly report on Form 10Q for the quarter ended March 31, 2016.

*(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory, managing general agent, controlling producer, or management contracts concerning the insurer, annual reports and proxy statements to the stockholders of the insurer and the applicant for the best two fiscal years, and any additional documents or papers required by Form A forms and instructions for Sections 4 and 6.*

**Applicant's Response:** See attached:

Exhibit 12c-1 for the Purchase Agreement

For proposed agreements:

Exhibit 12c-2 Reinsurance Pooling Agreement, as amended

Exhibit 12c-3 Management and Administration Agreement

Exhibit 12c-4 Investment Advisory Agreement

Exhibit 12c-5 Computer Services Agreement

Exhibit 12c-6 Service Agreement

**ITEM 13. AGREEMENT REQUIREMENT FOR ENTERPRISE RISK MANAGEMENT**

*Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.*

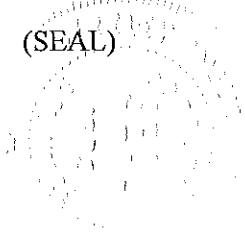
**Applicant's Response:** Applicant will provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.



**ITEM 14. SIGNATURE AND CERTIFICATION**

Pursuant to the requirements of Section 1311 of the Ins. Code of 1956, as amended, Ira S. Lederman has caused this application to be duly signed on its behalf in the City of Greenwich and the State of Connecticut on the 18<sup>th</sup> day of May, 2016.

(SEAL)



Berkley Insurance Company

By: \_\_\_\_\_

Name: Ira S. Lederman

Title: Senior Vice President and  
Secretary

Attest:

\_\_\_\_\_  
*Josephine A. Raimondi*

Name: Josephine A. Raimondi

Title: Assistant Secretary

**CERTIFICATION**

The undersigned deposes and says that she or he has duly executed the attached application dated May 18, 2016, for and on behalf of Berkley Insurance Company; that she or he is the Senior Vice President and Secretary 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 contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

\_\_\_\_\_  
*Ira S. Lederman*

Name: Ira S. Lederman