

FORM A

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

MIC General Insurance Corporation
(the “Domestic Insurer”)

BY

Allstate Insurance Holdings, LLC

and

The Allstate Corporation
(collectively, the “Applicants”)

Filed with the Michigan Department of Insurance and Financial Services

Dated August 18, 2020

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

Gerald Zimmerman
The Allstate Corporation
2775 Sanders Road
Northbrook, Illinois 60062
Telephone: (847) 402-8556
Email: Gerald.Zimmerman@allstate.com

With copies to:

Derrick W. Smith and Zachary Steadman
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201
Telephone: (501) 688-8845 and
(501) 688-8892
Email: dsmith@mwlaw.com and zsteadman@mwlaw.com

INTRODUCTION AND BACKGROUND

This Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (this “Application”) is submitted pursuant to Mich. Comp. Laws § 500.1311(1), Order No. 2018-075-M, and Order No. 19-047-M by The Allstate Corporation, a Delaware corporation (“Allstate”), and Allstate Insurance Holdings, LLC, a Delaware limited liability company that is a direct, wholly-owned subsidiary of Allstate (“Allstate Holdings”, and, collectively with Allstate, the “Applicants”), in connection with the proposed acquisition of control of MIC General Insurance Corporation, NAIC No. 38660, a Michigan-domiciled insurance company (the “Domestic Insurer”).

The Domestic Insurer is a direct, wholly-owned subsidiary of National General Holdings Corp., a Delaware corporation whose shares are publicly traded (NASDAQ: NGHC) (“National General”).

On July 7, 2020, Allstate entered into a definitive Agreement and Plan of Merger (the “Merger Agreement”) with National General and Bluebird Acquisition Corp., a direct, wholly-owned subsidiary of Allstate Holdings (“Merger Sub”), pursuant to which Allstate and Merger Sub have agreed to acquire National General through the merger of Merger Sub with and into National General (the “Proposed Merger”), with National General surviving the Proposed Merger (the “Surviving Company”) as a wholly-owned, direct subsidiary of Allstate Holdings. As a result, following the completion of the transactions contemplated by the Merger Agreement, the Domestic Insurer will be an indirect, wholly-owned subsidiary of Allstate and Allstate Holdings.

A copy of the Merger Agreement is attached hereto as **Exhibit A**. The summaries of the Proposed Merger that are contained in this Application are qualified in their entirety by reference to the Merger Agreement.

The Applicants are pursuing the Proposed Merger in order to strengthen their position in certain lines of personal property-liability insurance. In addition, the Applicants believe that the Proposed Merger will result in increased efficiency with respect to the Applicants’ independent agent distribution. The Applicants expect to use National General’s business and technology platforms to improve the Applicants’ existing independent agent businesses.

The Applicants respectfully request the approval of the Director of the Michigan Department of Insurance and Financial Services (the “Director”) under Mich. Comp. Laws § 500.1311(1) for the acquisition of control of the Domestic Insurer as described herein.

ITEM I. METHOD OF ACQUISITION

(a) Name and Address of the Domestic Insurer

The name and address of the Domestic Insurer to which this Application relates is:

MIC General Insurance Corporation
1111 West Long Lake Road, Suite 103
Troy, Michigan 48098

(b) Method of Acquisition of Control

As described above, pursuant to the Merger Agreement, the Applicants have agreed to acquire National General through the Proposed Merger of Merger Sub with and into National General, with National General surviving the Proposed Merger as the Surviving Company and a wholly-owned, direct subsidiary of Allstate Holdings. As a result, following the completion of the transactions contemplated by the Merger Agreement, the Domestic Insurer will be an indirect, wholly-owned subsidiary of Allstate and Allstate Holdings.

The Merger Agreement provides that the consummation of the transactions contemplated thereby is subject to the satisfaction of customary closing conditions, including, among other things, the adoption of the Merger Agreement by the affirmative vote of the holders holding at least a majority of all issued and outstanding common shares of National General entitled to vote thereon (the “Stockholder Vote”) and the receipt of certain governmental approvals, including approval of this Application by the Director and the receipt, termination or expiration, as applicable, of waivers, consents, approvals, waiting periods or agreements required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANTS

(a) Applicants

The names and principal business addresses of the Applicants seeking to acquire control over the Domestic Insurer are as follows:

The Allstate Corporation
2775 Sanders Road
Northbrook, IL 60062

Allstate Insurance Holdings, LLC
2775 Sanders Road
Northbrook, IL 60062

(b) Principal Business Operations of the Applicants

The Applicants are Allstate and its direct, wholly-owned subsidiary, Allstate Holdings.

The Allstate Corporation (“Allstate”). Allstate (NYSE: ALL) is a Delaware corporation that was formed on November 5, 1992 to serve as the indirect holding company for Allstate Insurance Company. Allstate conducts its business primarily through its subsidiaries including Allstate Insurance Company and Allstate Life Insurance Company, and is primarily engaged in the property-liability insurance and life insurance business. As of June 30, 2020, Allstate had total shareholders’ equity of approximately \$27.0 billion. The audited annual financial

statements of Allstate for the fiscal years ended December 31, 2019, December 31, 2018, December 31, 2017, December 31, 2016 and December 31, 2015 on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) are attached hereto as **Exhibits B-1 through B-5**. The unaudited quarterly financial statements of Allstate as of June 30, 2020 on Form 10-Q filed with the SEC are attached hereto as **Exhibit B-6**.

No person currently owns 10% or more of the issued and outstanding voting securities of Allstate.

Allstate Insurance Holdings, LLC (“Allstate Holdings”). Allstate Holdings is a Delaware limited liability company that was formed on February 6, 2008. Allstate Holdings operates as a holding company, and is the sole stockholder of Merger Sub. Allstate Holdings offers insurance services through its subsidiaries. Allstate Holdings’ financial statements are not separately audited but are consolidated into the Allstate audited financial statements set forth at **Exhibits B-1 through B-5**.

(c) **Organizational Chart**

A pre-transaction organizational chart presenting the identities of, and interrelationships among, the Applicants and their affiliates is attached hereto as **Exhibit C-1**. Such chart lists, as to each entity specified in the chart, the type of organization and its state or other jurisdiction of domicile. No court proceedings involving a reorganization or liquidation are pending with respect to the Applicants or any of their current affiliates that are listed in **Exhibit C-1**.

A post-transaction organizational chart is attached as **Exhibit C-2**.

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

A list of all of the current directors and executive officers of the Applicants is attached hereto as **Exhibit D**.

No changes will be made to the existing directors and executive officers of the Domestic Insurer, whose biographical affidavits are on file with the Michigan Department of Insurance and Financial Services (the “Department”), upon closing of the Proposed Merger.

NAIC biographical affidavit forms for the individuals listed in **Exhibit D**, attached hereto as **Exhibit E**, are in process and will be provided to the Department on a supplemental basis under separate cover once complete. The business addresses; information concerning principal business activity, occupation or employment; and the material occupations, positions, offices or employment during the last five years are described in the biographical affidavits for each such person. To the knowledge of the Applicants, no person listed in **Exhibit D** has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten years. The Applicants will submit the biographical affidavits attached as **Exhibit E** hereto to a third-party background check service provider.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source, and Amount of Consideration

Pursuant to the terms of the Merger Agreement, at the effective time of the Proposed Merger, each of National General's issued and outstanding shares of common stock ("National General Common Stock"), par value \$0.01 per share, will be automatically cancelled and converted into the right to receive \$32.00 in cash for each share of National General Common Stock (the "Merger Consideration"). The Merger Agreement also contemplates payment by National General, immediately prior to the effective time of the Proposed Merger, of a special pre-closing dividend of up to \$2.50 in cash for each share of National General Common Stock to holders of record of National General Common Stock at such time (the "Special Dividend" and, together with the Merger Consideration, the "Total Consideration"), of which up to \$1.00 per share is subject to the increase in National General's retained earnings per share from January 1, 2020 to the business day prior to closing of the Proposed Merger, subject to and in connection with the closing of the Proposed Merger. Assuming that the amount of the Special Dividend will be \$2.50 in cash for each share of National General Common Stock, or approximately \$290 million, plus the Merger Consideration estimate of \$3.7 billion, the Applicants currently anticipate that the aggregate Total Consideration will be approximately \$4.0 billion.

(b) Criteria Used in Determining Nature and Amount of Consideration

The Applicants and National General, with the assistance of their respective financial advisors and outside counsel and under the direction of their respective boards of directors, determined the nature and amount of the Total Consideration and the other terms and conditions of the Merger Agreement through arm's-length negotiation. In addition, National General's board of directors received an opinion of its financial advisor, J.P. Morgan Securities LLC, that, on the basis of and subject to the qualifications set forth in such opinion, the Total Consideration to be paid to the holders of National General Common Stock was fair, from a financial point of view, to such holders.

(c) Loans

The Applicants expect to fund the Merger Consideration by deploying \$2.2 billion in combined cash resources and, subject to market conditions, issuing \$1.5 billion of new senior debt of Allstate (the "Senior Debt"). Subject to market conditions, the Applicants anticipate that the Senior Debt will be similar to previous Allstate debt offerings, including that the Senior Debt will have long-term durations (e.g., 5 years, 10 years and 30 years), will rank equally in right of payment with all of Allstate's existing and future unsecured and unsubordinated indebtedness and will be priced at a relatively low cost, which will allow the Applicants to fund the Senior Debt cost from their existing operations and financial resources. The Domestic Insurer's stock or assets will not be pledged under the Senior Debt, and the Domestic Insurer will not be a guarantor under the Senior Debt. Following completion of the Proposed Merger, the Applicants do not currently anticipate that any extraordinary dividends from the Domestic Insurer will be required in order to service the Senior Debt. The Merger Agreement does not contain a financing condition.

ITEM 5. FUTURE PLANS FOR INSURER

Other than as described in this Item 5, the Applicants have no present plans for the Domestic Insurer to declare a dividend, to liquidate the Domestic Insurer, to sell any of the Domestic Insurer's assets (other than asset sales in the ordinary course of business), or to merge the Domestic Insurer with any person or persons.

Other than as described in this Item 5, the Applicants have no current plans to make any material changes in the business operations or corporate structure or management of the Domestic Insurer, as described in the most recent Business Plan of Operations filed by the Domestic Insurer with the Department on August 10, 2020, other than as may arise in the ordinary course of business.

It is anticipated that there will be little to no change to the business operations of the Domestic Insurer in the immediate term. The Applicants are currently evaluating business integration opportunities among the various companies which may involve merging of certain product lines through renewal programs. This analysis is ongoing and is not expected to be finalized prior to closing. The Applicants will provide appropriate notice and disclosure to the extent any such future plans impact Michigan.

The Applicants plan to add the Domestic Insurer as a party to existing Allstate group investment, services and/or tax allocation agreements at or after closing of the Proposed Merger. Required Form D filings in connection with the proposed entry of the Domestic Insurer into these agreements will be submitted by the Domestic Insurer under separate cover.

Three-year statutory projections for the Domestic Insurer are attached hereto as **Exhibit F**.

The Applicants respectfully submit that the Proposed Merger will not lessen competition in either the life and accident & health or property and casualty ("P&C") insurance markets in Michigan. In the Michigan life and accident & health insurance market, the Applicants (0.11% market share) and National General (0% market share) have little to no presence. In the P&C insurance market, using the National Association of Insurance Commissioners model Form E statute as guidance, every line of business would be exempted from pre-acquisition notification requirements. This is due to the fact that neither party holds a significant market share in both the total market and in any particular line of business. National General's presence in P&C in Michigan is minimal, with a market share of only 0.59% (30th overall). In every line of business in the P&C insurance market, National General is either not present at all, or its market share falls below 2.5%. The Applicants' share of the total P&C market is 5.23% (5th overall). In each line of business in which the Applicants' market share exceeds 8%, namely Commercial Auto No-Fault (11.86%), Homeowners Multi-Peril (8.15%), Other Private Passenger Auto Liability (8.22%), and Private Passenger Auto No-Fault (8.09%), National General has either no presence or nearly negligible market shares, all falling below 1.2%. The very limited overlap between the Applicants and National General suggests that the Proposed Merger will not have an impact on competition in any line of business in Michigan.¹

¹ All market share data in this paragraph was sourced from S&P Global Market Intelligence (formerly SNL Financial).

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic Insurer currently has 50,000 shares of authorized common stock issued and outstanding. The Domestic Insurer is a direct, wholly-owned subsidiary of National General. As described above, pursuant to the Merger Agreement, the Applicants have agreed to acquire National General through the Proposed Merger of Merger Sub with and into National General, with National General surviving the Proposed Merger as the Surviving Company and a wholly-owned, direct subsidiary of Allstate Holdings. As a result, following the completion of the transactions contemplated by the Merger Agreement, the Domestic Insurer will be an indirect, wholly-owned subsidiary of Allstate and Allstate Holdings.

The terms of the Proposed Merger are summarized in Item 1(b) hereof. A statement as to the method by which the fairness of the proposal was determined is included in Item 4(b) hereof.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

The Domestic Insurer is a direct, wholly-owned subsidiary of National General. Pursuant to the Merger Agreement, following the completion of the Proposed Merger, the Domestic Insurer will be an indirect, wholly-owned subsidiary of Allstate and Allstate Holdings. Other than the rights of the Applicants to acquire 100% of the National General Common Stock under the Merger Agreement, there are no voting securities of any class of the Domestic Insurer that are held of record, beneficially owned or concerning which there is a right to acquire beneficial ownership by the Applicants, their affiliates or, to the knowledge of the Applicants, any person listed in Item 3.

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

Other than as described in this Application, there are no contracts, arrangements or understandings with respect to any voting security of any of the Domestic Insurer in which the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person listed in Item 3 is involved, including any 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. In addition, in connection with the Merger Agreement, certain significant beneficial holders of National General Common Stock have entered into a voting agreement with Allstate pursuant to which, among other things, such holders have agreed to vote the National General Common Stock beneficially owned by them in favor of the adoption of the Merger Agreement.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of the Domestic Insurer by the Applicants, their affiliates or, to the knowledge of the Applicants, any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Application.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Other than the Merger Agreement, none of the Applicants, their respective affiliates, or, to the knowledge of the Applicants, any person listed in Item 3 has made any recommendations to purchase any voting security of the Domestic Insurer, and no such recommendations have been made by anyone based upon interviews or at the suggestion of the Applicants, their respective affiliates or, to the knowledge of the Applicants, any person listed in Item 3, in each case during the 12 calendar months preceding the filing of this Application.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

No agreements, contracts or understandings have been made with any broker-dealer as to solicitation of voting securities of the Domestic Insurer for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Exhibits

The following Exhibits are attached to this Application:

- Exhibit A:** Merger Agreement
- Exhibit B-1:** Audited Annual Financial Statements of Allstate for the Year Ended December 31, 2019
- Exhibit B-2:** Audited Annual Financial Statements of Allstate for the Year Ended December 31, 2018
- Exhibit B-3:** Audited Annual Financial Statements of Allstate for the Year Ended December 31, 2017
- Exhibit B-4:** Audited Annual Financial Statements of Allstate for the Year Ended December 31, 2016
- Exhibit B-5:** Audited Annual Financial Statements of Allstate for the Year Ended December 31, 2015
- Exhibit B-6:** Unaudited Quarterly Financial Statements of Allstate for the Quarter Ended June 30, 2020
- Exhibit C-1:** Pre-Closing Organizational Chart
- Exhibit C-2:** Post-Closing Organizational Chart
- Exhibit D:** List of the Current Directors and Executive Officers of Allstate and Allstate Holdings

- Exhibit E:** Biographical Affidavits
(submitted confidentially under separate cover)*
- Exhibit F:** Three-Year Statutory Financial Projections for the Domestic Insurer
- Exhibit G-1:** Annual Report to the Stockholders of Allstate for the Year Ended December 31, 2019
- Exhibit G-2:** Annual Report to the Stockholders of Allstate for the Year Ended December 31, 2018
- Exhibit H-1:** Annual Report to the Stockholders of National General for the Year Ended December 31, 2019
- Exhibit H-2:** Annual Report to the Stockholders of National General for the Year Ended December 31, 2018

*The biographical affidavits submitted as **Exhibit E** contain highly sensitive information of a personal nature that if publicly disclosed would constitute a clearly unwarranted invasion of personal privacy. As the biographical affidavits contain such information and are exempt from disclosure under the Michigan Freedom of Information Act pursuant to Mich. Comp. Laws § 15-243(1)(a), the Applicants respectfully request that: (i) **Exhibit E** be afforded confidential treatment; (ii) the Applicants be notified in advance of any proposed disclosure by the Department of such confidential information; and (iii) the Applicants be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

(b) Financial Statements

The audited annual financial statements of Allstate for the fiscal years ended December 31, 2019, December 31, 2018, December 31, 2017, December 31, 2016 and December 31, 2015 on Form 10-K filed with the SEC are attached hereto as **Exhibits B-1 through B-5**. The unaudited quarterly financial statements of Allstate as of June 30, 2020 on Form 10-Q filed with the SEC are attached hereto as **Exhibit B-6**.

Allstate Holdings' financial statements are not separately audited but are consolidated into the Allstate audited financial statements set forth at **Exhibits B-1 through B-5**.

(c) Tender Offer, Agreements for Voting Securities

Other than as described in this Application, the Applicants are not aware of any tender offers for, requests or invitations for tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurer, or any soliciting materials relating thereto. The proxy statement to be provided to the holders of the issued and outstanding common shares of National General in connection with the Stockholder Vote will be submitted to the Department under separate cover when it becomes available.

Other than as described in this Application, the Applicants are not aware of any employment, consultation, managing general agent, controlling producer, advisory or management contracts concerning the Domestic Insurer that are proposed to be entered into as part of the transactions contemplated by the Merger Agreement.

(d) Annual Reports

The annual reports to the stockholders of Allstate for the years ended December 31, 2019 and December 31, 2018 are attached hereto as **Exhibits G-1 and G-2**, respectively. The annual reports to the stockholders of National General for the years ended December 31, 2019 and December 31, 2018 are attached hereto as **Exhibits H-1 and H-2**, respectively. The latest Form 10-K and Form 10-Q of Allstate are attached hereto as **Exhibits B-1 and B-6**, respectively.

ITEM 13. AGREEMENT REQUIREMENT FOR ENTERPRISE RISK MANAGEMENT

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the Proposed Merger occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of sections 382.040-382.060 of the Act, The Allstate Corporation has caused this application to be duly signed on its behalf in in the City of Northbrook and State of Illinois on the 18th day of August, 2020.

(Seal)

THE ALLSTATE CORPORATION



By: _____

Name: Mario Rizzo

Title: Executive Vice President and Chief
Financial Officer

Attest:



Name: Michael A. Pedraja
Title: Senior Vice President and Treasurer

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached application dated August 18, 2020, for and on behalf of The Allstate Corporation; that s/he is the Executive Vice President and Chief Financial Officer of The Allstate Corporation and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.



Name: Mario Rizzo
Title: Executive Vice President and Chief
Financial Officer

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of sections 382.040-382.060 of the Act, Allstate Insurance Holdings, LLC has caused this application to be duly signed on its behalf in in the City of Northbrook and State of Illinois on the 18th day of August, 2020.

(Seal)

ALLSTATE INSURANCE HOLDINGS, LLC



By: _____

Name: Mario Rizzo

Title: Manager; Executive Vice President and
Chief Financial Officer

Attest:



Name: Michael A. Pedraja

Title: Senior Vice President and Treasurer

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached application dated August 18, 2020, for and on behalf of Allstate Insurance Holdings, LLC; that s/he is the Manager; Executive Vice President and Chief Financial Officer of Allstate Insurance Holdings, LLC and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.



Name: Mario Rizzo

Title: Manager; Executive Vice President and
Chief Financial Officer

[Certification to Missouri Form A]