

FINAL ORDER

EFFECTIVE: 10-30-15

BEFORE THE COMMISSIONER OF INSURANCE OF THE STATE OF KANSAS

In the Matter of the Proposed Exemption of)
GE Capital Global Holdings, LLC) Docket No. 4781-EX
GE Capital US Holdings, Inc.

ORDER

Now comes on this 30th day of October, 2015 before the Commissioner of Insurance for disposition the request of GE Capital Global Holdings, LLC and GE Capital US Holdings, Inc. (“Applicants”), dated July 17, 2015, for an Order, pursuant to K.S.A. 40-3304(e)(1), exempting Applicants from the filing and approval requirements of K.S.A. 40-3304(a), as said statute may be construed to apply to the restructuring of the insurance holding company system of Employers Reassurance Corporation (“ERAC”), Union Fidelity Life Insurance Company (“UFLIC”), and Heritage Casualty Insurance Company (“HCIC”), all Kansas domiciled insurers.

This Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

FINDINGS OF FACT

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-103 and K.S.A. 40-3301, *et seq.*
2. Applicants have requested an exemption pursuant to K.S.A. 40-3304(e) from the acquisition and approval requirements of the Kansas Insurance Holding Companies Act, specifically those requirements stated in K.S.A. 40-3304(a).

3. General Electric Capital Corporation (“GECC”) is a Delaware corporation and is the direct holding company for ERAC.

4. Currently, HCIC is a direct, wholly owned subsidiary of UFLIC, which in turn is a direct, wholly owned subsidiary of ERAC. ERAC is a direct, wholly owned subsidiary of GECC, which is a direct subsidiary of General Electric Company (“GE”), a New York corporation. Accordingly, GE is the ultimate controlling person of ERAC, UFLIC, and HCIC.

5. GE Capital Global Holdings, LLC is a recently formed limited liability company organized under the laws of Delaware. GE Capital Global Holdings, LLC is owned by GE.

6. GE Capital US Holdings, Inc. is a recently formed corporation organized under the laws of Delaware, which is currently wholly owned by GECC. As a result of the proposed restructuring of the insurance holding company system, it is intended that GE Capital US Holdings, Inc. will be wholly owned by GE Capital Global Holdings, LLC prior to the closing of such restructuring.

7. Applicants are wholly owned subsidiaries of GE and do not have a direct or indirect ownership interest in ERAC, UFLIC and HCIC.

8. GE desires to effect an internal corporate restructuring (currently targeted for no later than December 1, 2015, subject to certain regulatory approvals) that will include the alignment of the domestic operating companies of GECC (including ERAC, UFLIC and HCIC) under GE Capital US Holdings, Inc. and the subsequent merger of GECC with and into GE, with GE surviving the merger (the “Proposed Transaction”). The Proposed Transaction is being undertaken as part of an effort to simplify the

organizational structure of the various GE financial services companies. As a result of the Proposed Transaction, GE Capital US Holdings, Inc. will be directly held by GE Capital Global Holdings, LLC, which will be directly held by GE. GE Capital US Holdings, Inc. will become the direct parent of ERAC. ERAC will remain the direct and indirect parent of UFLIC and HCIC, respectively. GE will remain the ultimate controlling person of ERAC, UFLIC and HCIC.

9. The Proposed Transaction will not result in any changes to the management or business operations of ERAC, UFLIC and HCIC.

10. In connection with the Proposed Transaction (currently targeted for no later than December 1, 2015, subject to certain regulatory approvals), a contribution and assumption agreement relating to the contribution of the stock of ERAC by GECC to GE Capital US Holdings, Inc. will be signed and a plan of merger relating to the merger of GECC with and into GE will be adopted.

CONCLUSIONS OF LAW

11. K.S.A. 40-3304(a) provides, in part, as follows:

(a) No person other than the issuer shall...enter into any agreement to exchange securities or, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if,... at the time... any such agreement is entered into, ... such person has filed with the commissioner of insurance and has sent to such insurer, a statement containing the information required by this section and such... agreement... has been approved by the commissioner of insurance in the manner hereinafter prescribed.

12. K.S.A. 40-3304(e) provides:

(e) The provisions of this section shall not apply to:

Any offer, request, invitation, agreement or acquisition which the commissioner of insurance by order shall exempt therefrom as: (1) Not

having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer;...

13. Based upon the information enumerated in the Findings of Fact contained in paragraphs #1 through #10 above, and the representations made on behalf of Applicants, the restructuring of the holding company system is not made for the purpose of, and will not have the effect of, changing or influencing the control of Employers Reassurance Corporation, Union Fidelity Life Insurance Company, or Heritage Casualty Insurance Company, all Kansas domestic insurers.

IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

1. GE Capital Global Holdings, LLC and GE Capital US Holdings, Inc. shall be exempt from the application of the formal filing and approval requirements of K.S.A. 40-3304(a) as it may be deemed to apply to the change of the ownership of Employers Reassurance Corporation, Union Fidelity Life Insurance Company, or Heritage Casualty Insurance Company, which will result in GE Capital US Holdings, Inc. owning 100% of the common stock of Employers Reassurance Corporation, provided the reorganization is effected within ninety (90) days of the date of this Order.

2. GE Capital Global Holdings, LLC and GE Capital US Holdings, Inc. shall comply with all of the provisions and requirements of K.S.A. 40-3301, *et seq.*, in the future.

3. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action as necessary to dispose of this matter.

NOTICE OF RIGHTS

Applicants are entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If the Applicants desire a hearing, they must file a written request for a hearing with:

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order. If Applicants request a hearing, the Kansas Insurance Department will notify them of the time and place of the hearing and information on the procedures, rights of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-601 *et seq.* In the event Applicants file a petition for judicial review, pursuant to K.S.A. 77-601 *et seq.*, the agency officer to be served on behalf of the Kansas Insurance Department is:

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

IT IS SO ORDERED THIS 30th DAY OF OCTOBER 2015, IN THE CITY OF
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_/s/ Ken Selzer_____

Ken Selzer, CPA
Commissioner of Insurance

By:

_/s/ Diane Minear_____

Diane Minear
General Counsel

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Order was forwarded via first class mail, postage prepaid, and via email on the 30th day of October, 2015 to:

Kathleen Russell, General Counsel
Employers Reassurance Corporation
135 N. Pennsylvania Street, Suite 1800
Indianapolis, IN 46204

Mary Lou Schwemle, Senior Counsel
GE Capital Global Holdings, LLC
901 Main Avenue
Norwalk, CT 06851

Mary Lou Schwemle, Senior Counsel
GE Capital US Holdings, Inc.
901 Main Avenue
Norwalk, CT 06851

_/s/ Diane Minear_____

Diane Minear
General Counsel