

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

<b>In the Matter of the Proposed Form A Filing</b>	)	
<b>Exemption Request of</b>	)	
	)	
<b>ALTARIS PARTNERS, LLC</b>	)	
	)	
<b>relating to</b>	)	
	)	
<b>BENCHMARK INSURANCE COMPANY</b>	)	
	)	<b>Docket No. 98960</b>
<b>NAIC No. 41394</b>	)	
	)	

**ORDER**

Now on this 15 th day of March 2023, the above matter comes before the Commissioner of Insurance of the State of Kansas (the "Commissioner") upon the request of Altaris Partners, LLC ("Altaris") for an exemption from the requirement to file a Form A Statement regarding the acquisition of control of or merger with a domestic insurer, Benchmark Insurance Company ("Benchmark"). By application submitted on December 30, 2022, Altaris requests an Order pursuant to K.S.A. 40-3304(e)(1) exempting it from the filing and approval requirements of K.S.A. 40-3304(a), as the statute may be construed to apply to a proposed transaction involving the domestic insurer.

**DECLARATION OF PUBLIC INTEREST AND POLICY**

The Commissioner has the general supervision, control, and regulation of corporations, companies, associates, societies, exchanges, partnerships, or persons authorized to transact the business of insurance, indemnity, or suretyship in this state. The following statements of fact and conclusions of law are made with the intent to promote the policies and objectives enumerated in K.S.A. 40-3301.

## FINDINGS OF FACT

The findings of fact and conclusions stated herein are based upon the statements made by Altaris.

1. Altaris has requested an exemption, pursuant to K.S.A. 40-3304(e), from the prior approval requirements of the Kansas Insurance Holding Companies Act, specifically the requirements outlined in K.S.A. 40-3304(a).
2. Benchmark is domiciled in Kansas, with its statutory home office address in Topeka, Kansas.
3. George Aitken-Davies and Daniel Tully are the current designated ultimate controlling persons of Benchmark.

#### 4. **Background**

- a. Currently, Benchmark is owned 100% by Benchmark Holding Company (“BHC”), a Minnesota corporation.
- b. BHC is owned 100% by Trean Insurance Group, Inc. (“TIG”), a Delaware corporation.
- c. TIG is currently owned 47% by the Altaris Stockholders (defined below) and 53% by members of TIG management, TIG Board members, and various public stockholders.
- d. The Altaris Stockholders are comprised of Altaris HP Stockholders and Altaris CP Stockholders.
- e. The Altaris HP Stockholders are owned 100% by Altaris Health Partners III, L.P. (“AHP III”),
- f. The Altaris CP Stockholders are owned 100% by Altaris Constellation Partners,

L.P. (“ACPIII”).

- g. AHPIII is controlled by its general partner, AHP III GP, L.P.
- h. ACPIII is controlled by its general partner, AHP Constellation GP, L.P.
- i. Both AHP III GP, L.P. and AHP Constellation GP, L.P. are controlled by their general partner, Altaris.

#### **5. Proposed Transaction**

- a. Pursuant to a Merger Agreement, dated as of December 15, 2022, by and among TIG, Treadstone Parent Inc. (“Parent”), a Delaware corporation indirectly owned and controlled by Altaris, and Treadstone Merger Sub Inc. (“Merger Sub”), a Delaware Corporation and wholly-owned subsidiary of Parent, Merger Sub will merge with and into TIG, with TIG surviving the merger as a wholly-owned subsidiary of Parent.
  - b. Regarding the 53% interest in TIG owned by TIG Management members, TIG Board members, and public stockholders, pursuant to the Proposed Transaction, Altaris will, through Parent and Merger Sub, which are wholly-owned subsidiaries of funds indirectly owned and controlled by Altaris (Altaris Health Partners V, L.P. and Altaris Health Partners V-A, L.P.), acquire the remaining approximately 53% of the TIG’s outstanding common stock (subject to potential rollover arrangements with certain TIG stockholders).
  - c. As a result of this merger, TIG will be a wholly-owned indirect subsidiary of Altaris.
  - d. Post-transaction, Altaris will indirectly own 100% of Benchmark through TIG.
6. Post-transaction, Messrs. Aitken-Davies and Tully will remain the ultimate controlling

persons of Benchmark.

### **APPLICABLE LAW**

7. The Commissioner has jurisdiction over this matter pursuant to K.S.A. 40-103 and K.S.A. 40-3301, *et seq.*

8. K.S.A. 40-3304(a)(1) provides:

No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or 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, after the consummation thereof, such person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, 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 offer, request, invitation, agreement or acquisition has been approved by the commissioner of insurance in the manner hereinafter prescribed. The requirements of this section shall not apply to the merger or consolidation of those companies subject to the requirements of K.S.A. 40-507 and 40-1216 through 40-1225, and amendments thereto.

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

The provisions of this section shall not apply to any offer, request, invitation, agreement or acquisition that 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; or
- (2) as otherwise not comprehended within the purposes of this section.

### **CONCLUSIONS OF LAW**

10. Representatives of the Financial Surveillance and Legal Divisions of the Department inspected and reviewed the contents of the request.

11. Based on the information enumerated in the Findings of Fact contained in paragraphs 1-6 above, and the representations made by Altaris, the transaction is not made for the purpose

of, and will not have the effect of, changing or influencing the control of the domestic company, Benchmark Insurance Company.

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

1. Altaris shall be exempt from the formal filing and approval requirements of K.S.A. 40-3304(a) as it may apply to the proposed transaction.
2. Altaris and Benchmark Insurance Company (collectively, the “parties”) shall continue to comply with the provisions and requirements of K.S.A. 40-3301 *et seq.* in the future.
3. The Commissioner retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order or orders as may be deemed proper.

**NOTICE OF RIGHTS**

This Final Order is effective upon service. Pursuant to K.S.A. 77-529, the Applicant may petition the Commissioner for reconsideration of this Final Order within fifteen (15) days after service of the Final Order. A petition for reconsideration must state the specific grounds upon which relief is requested. Additionally, a party to this agency proceeding may seek judicial review of this Final Order by filing a petition in the District Court, pursuant to K.S.A. 77-601, *et seq.* Reconsideration of this Final Order is not a prerequisite for judicial review. A petition for judicial review is not timely unless filed within thirty (30) days following the service of this Final Order, unless the Applicant petitions the Commissioner for reconsideration, in which case a petition for judicial review is not timely unless filed within thirty (30) days following service of an order rendered upon reconsideration, or an order denying the request for reconsideration. In the event the Applicant files a petition for judicial review, the agency officer to be served on behalf of the Department is:

Justin L. McFarland  
General Counsel  
Kansas Insurance Department  
1300 SW Arrowhead Road  
Topeka, Kansas 66604

IT IS SO ORDERED THIS 15<sup>th</sup> DAY OF March, 2023 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



*Vicki Schmidt*

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Vicki Schmidt  
Commissioner of Insurance

Approved by the Kansas Insurance  
Department Legal Division:

*Justin L. McFarland*

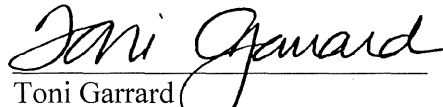
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Justin L. McFarland  
General Counsel

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that above and foregoing Order was served via the United States Postal Service, first-class postage prepaid, on this 15th day of March, 2023, addressed to the following:

Zachary R. Dyer  
Polsinelli PC  
900 W. 48<sup>th</sup> Place, Suite 900  
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Toni Garrard  
Senior Administrative Specialist