

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

PROFESSIONAL, INC. d/b/a
PROFESSIONALS AUTO BODY,

Plaintiff,

v.

FIRST CHOICE AUTO INSURANCE
COMPANY, et al.,

Defendants.

MDL Docket No. 2557

Case No. 6:18-cv-06023-GAP-TBS

**DEFENDANTS HARLEYSVILLE INSURANCE COMPANY,
DONEGAL MUTUAL INSURANCE COMPANY AND AIG
PROPERTY CASUALTY COMPANY'S MOTION TO DISMISS
PLAINTIFF'S COMPLAINT FOR LACK OF SUBJECT MATTER JURISDICTION**

Pursuant to Federal Rule of Civil Procedure 12(b)(1), Defendants Harleysville Insurance Company ("Harleysville"), Donegal Mutual Insurance Company ("Donegal") and AIG Property Casualty Company ("AIGPC" and, collectively with Harleysville and Donegal, "Non-Diverse Defendants") move to dismiss this action as to each of them because the Court lacks subject-matter jurisdiction over them. Grounds for the motion are set forth in the accompanying Memorandum of Law.

MEMORANDUM OF LAW

I. INTRODUCTION.

Plaintiff Professional Inc. d/b/a Professionals Auto Body ("Professionals") improperly joined each of its separate claims against 32 different insurance company defendants, including the Non-Diverse Defendants, in a Complaint that it filed in Pennsylvania state court in August 2017. Some of the Defendants removed the case to the Western District of Pennsylvania on the

basis of diversity jurisdiction. At the time that the case was filed and removed, each of the Non-Diverse Defendants was not diverse in citizenship from Professionals and, therefore, did not join in the removal. In January 2018, following removal, the Judicial Panel on Multidistrict Litigation transferred this case to this Court as part of the MDL. In February 2018, this Court entered an order staying this Action until the Eleventh Circuit resolved various pending appeals of this Court's dismissals of other cases from the MDL. This Action has remained stayed since February 2018.

On July 14, 2020, following the Eleventh Circuit's resolution of the various appeals, this Court ordered Defendants in this Action to file responsive pleadings or motions. Accordingly, the Non-Diverse Defendants now file this Motion to Dismiss under Fed. R. Civ. P. 12(b)(1) requesting the Court to sever and dismiss (not remand) the Non-Diverse Defendants from this Action because the Court lacks subject matter jurisdiction over each of them.

II. FACTUAL BACKGROUND.

A. Professionals' Complaint.

In its Complaint, Professionals, a Pennsylvania auto body repair shop, chose to join together otherwise separate claims against 32 different Defendant insurers based on repairs that Professionals performed for untold policyholders, each of whom purportedly executed an "assignment of proceeds" allegedly "authorizing Professionals to recover any unpaid amount for services rendered and repairs made by Professionals." Compl. ¶ 40. The Complaint attaches separate "Exhibit As" for each of the 32 defendants, totaling thousands of pages, allegedly containing "documents relating to each individual automobile owner whose cost of repairs was not fully paid by each insurer[.]" *Id.* ¶ 46. *See* individual "Exhibit As" attached as Exhibit 4 to certain defendants' Notice of Removal (Doc. 1, ¶ 14).

Each repair transaction involves only one individual insurer and one individual insured, yet Professionals improperly chose to combine all these distinct claims involving different insureds, different insurers, and different repair transactions into a single Complaint, with a massive Exhibit A, and file it in a single Action. Professionals then purports to assert claims under Pennsylvania law against each defendant for: quantum meruit (Count I), unjust enrichment (Count II), breach of contract (Count III), bad faith (Count IV), and intentional interference with business (Count V). *Id.* ¶¶ 54-100. As to all these separate insureds, insurers and repair transactions, Professionals asks the Court to issue an en masse “Order compensating Plaintiff for the loss from Defendants’ interference in its business which sum would be approximately \$1,444,544.74, together with the delay time costs of \$6,823,253.81, together with the administrative costs of \$389,371.60 for a total amount of no less than \$8,657,170.15,” as well as any other relief the Court deems “just and proper to compensate Plaintiff.” *Id.* ¶ 41 & Prayer for Relief. Count IV of the Complaint also seeks unspecified amounts of “attorney’s fees and punitive damages” against each defendant for alleged “bad faith.” *Id.* ¶ 88.

B. Citizenship of Professionals and the Non-Diverse Defendants.

Professionals alleges it is a corporation incorporated under the laws of the Commonwealth of Pennsylvania with its principal place of business in Pennsylvania. *Id.* ¶ 1. Accordingly, Professionals is a citizen of Pennsylvania for purposes of diversity jurisdiction.

At the time that this action was filed and removed in August 2017 and September 2017, respectively, each of the Non-Diverse Defendants was also incorporated under the laws of the Commonwealth of Pennsylvania. Accordingly, each of the Non-Diverse Defendants was a citizen of Pennsylvania for purposes of diversity jurisdiction. Harleysville and Donegal also maintained their principal places of business in the Commonwealth of Pennsylvania. *Id.* ¶¶ 10, 16. AIGPC,

on the other hand, maintained its principal place of business in New York. Therefore, it was a citizen of both Pennsylvania and New York for purposes of diversity jurisdiction.

After the case was removed, in November 2017, Harleysville reincorporated in the State of Ohio and changed its principal place of business to the State of Ohio. *See* Exhibit A at 7-8 (Harleysville’s filings with Ohio Secretary of State, downloaded from: <https://bizimage.ohiosos.gov/api/image/pdf/201732403248>) (approving Harleysville’s “redomestication” and change in “domicile[]” “from Pennsylvania to Ohio”). The citizenship of Professionals and Harleysville is now diverse. In late 2019, AIGPC reincorporated from Pennsylvania to the State of Illinois. *See* Exhibit B. Accordingly, while AIGPC was not diverse in citizenship from Professionals at the time of filing of this lawsuit, which is when diversity of citizenship is determined for purposes of diversity jurisdiction, it is now.

III. LAW AND ARGUMENT.

A. The Court Lacks Subject Matter Jurisdiction Over Each of the Non-Diverse Defendants.

Diversity of citizenship jurisdiction over a defendant does not exist unless the plaintiff and defendant are citizens of different states. *See* 28 U.S.C. § 1332(a)(1). For diversity purposes, “a corporation shall be deemed to be a citizen of every State and foreign state by which it has been incorporated and of the State or foreign state where it has its principal place of business.” 28 U.S.C. § 1332(c)(1).

Here, at the time the action was filed and removed, Professionals and each of the Non-Diverse Defendants were citizens of the Commonwealth of Pennsylvania. Harleysville’s and AIGPC’s subsequent change in citizenship to, respectively, Ohio and Illinois, after the case was removed does not confer diversity jurisdiction over either of those two Defendants. *See, e.g., See Grupo Dataflux v. Atlas Glob. Grp., L.P.*, 541 U.S. 567, 570-582 (2004); *Iraola & CIA, S.A. v.*

Kimberly-Clark Corp., 232 F.3d 854, 860 (11th Cir. 2000); *Bujanowski v. Kocontes*, 359 F. App'x 112, 113 (11th Cir. 2009); *Jones v. Law Firm of Hill & Ponton*, 141 F. Supp. 2d 1349, 1355 (M.D. Fla. 2001) (Presnell, J.). Diversity jurisdiction is the only claimed basis for this Court having subject matter jurisdiction. Therefore, given that diversity jurisdiction does not exist between Professionals and each of the Non-Diverse Defendants, this Court lacks subject matter jurisdiction over Plaintiff's claims against the Non-Diverse Defendants.

B. Each of the Non-Diverse Defendants is Fraudulently Misjoined.

The Non-Diverse Defendants find themselves in this situation because Professionals chose to fraudulently misjoin each of them in a Complaint with dozens of other unrelated Defendants and claims. Fraudulent misjoinder exists where, as here, a “diverse defendant is joined with a nondiverse defendant as to whom there is no joint, several or alternative liability and where the claim against the diverse defendant has no real connection to the claim against the nondiverse defendant.” *Triggs v. John Crump Toyota*, 154 F.3d 1284, 1287 (11th Cir. 1998); *see also Tapscott v. MS Dealer Service Corp.*, 77 F.3d 1353, 1360 (11th Cir. 1996) *abrogated on other grounds by Cohen v. Office Depot*, 204 F.3d 1069 (11th Cir. 2000); 14B Wright, et al., *Federal Practice and Procedure* § 3723 (4th ed. 2009). In assessing whether a plaintiff's joinder of a non-diverse defendant was proper, the court looks to whether the permissive joinder requirements of Fed. R. Civ. P. 20(a)(2) are satisfied. *See Triggs*, 154 F.3d at 1288; *Tapscott*, 77 F.3d at 1360. Rule 20(a)(2) allows defendants to be joined if “any right to relief is asserted against them jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences” and “any question of law or fact common to all defendants will arise in the action.” Fed. R. Civ. P. 20(a)(2)(A)-(B).¹

¹ The Pennsylvania rule governing joinder of parties is virtually identical to the language of Federal Rule of Civil Procedure 20(a)(2). *See* Pa. R.C.P. No. 2229(b).

Here, Professionals' Complaint fails to satisfy the joinder requirements of Rule 20(a)(2) for the reasons and authorities set forth in paragraphs 33-36 of certain defendants' Notice of Removal filed on September 22, 2017. *See* Notice of Removal (Doc. 1). As discussed in the Notice of Removal, Professionals fraudulently misjoined all its claims against 32 unique and disparate defendants, including the Non-Diverse Defendants, in order to evade federal jurisdiction and reassert claims that the Court previously dismissed (quantum meruit, unjust enrichment, and tortious or intentional interference with business) against numerous defendants in *Alliance of Automotive Service Providers, Inc., et al. v. State Farm Mut. Auto Ins. Co. et al.*, Case No. 6:14-cv-06008, in which Professionals was a plaintiff.

C. The Court Must Sever and Dismiss, Rather Than Remand, Professionals' Claims Against the Non-Diverse Defendants.

Federal Rule of Civil Procedure 21 provides the Court's remedy here. It states that "the court may at any time, on just terms, add or drop a party. The court may also sever any claim against a party." Under Rule 21 and the doctrine of fraudulent misjoinder, if a plaintiff has improperly joined a non-diverse, dispensable defendant, "***the federal court must dismiss the non-diverse defendant.***" *Florence v. Crescent Res., LLC*, 484 F.3d 1293, 1297 (11th Cir. 2007) (emphasis added) (affirming dismissal of fraudulently joined non-diverse party); *see also Newman-Green, Inc. v. Alfonzo-Larrain*, 490 U.S. 826, 827 (1989) (a federal court "may grant a motion to dismiss a dispensable party whose presence spoils statutory diversity jurisdiction"). In lockstep with this precedent, the Eleventh Circuit and Middle District of Florida have regularly dismissed or affirmed dismissals of non-diverse, dispensable defendants in order to maintain diversity jurisdiction over the action. *See Bennick v. Boeing Co.*, 427 F. App'x 709, 712 (11th Cir. 2011) (affirming dismissal of non-diverse, dispensable party to preserve the court's diversity jurisdiction); *Iraola & CIA, S.A. v. Kimberly-Clark Corp.*, 232 F.3d 854, 860-861 (11th Cir. 2000)

(same); *Clements v. Essex Ins. Co.*, No. 616CV574ORL37GJK, 2016 WL 3144151, at *1-3 (M.D. Fla. June 6, 2016) (dismissing non-diverse, dispensable party to preserve the court's diversity jurisdiction after the case had been removed to federal court); *Beacon Fisheries, Inc. v. C.H. Robinson Worldwide, Inc.*, No. 3:11-CV-495-J-32MCR, 2012 WL 3100399, at *2 (M.D. Fla. July 30, 2012) (same).

There was no diversity between Professionals and each of the Non-Diverse Defendants at the time that Professionals filed its Complaint and this Action was removed to federal court because Professionals, Harleysville, Donegal, and AIGPC were all Pennsylvania citizens. Additionally, none of the Non-Diverse Defendants is an "indispensable" party to this Action under Fed. R. Civ. P. 19 because a judgment entered in their absence would be adequate for each remaining party and would not prejudice any party. *See Clements*, 2016 WL 3144151, at *2-3; Fed. R. Civ. P. 19(b). Specifically, Professionals has pleaded no facts that would establish a conspiracy or other connection among the Defendants and the Non-Diverse Defendants that might support a finding of joint and several liability. To the contrary, Professionals' Complaint consists of an amalgamation of individual breach of contract and other state-law claims regarding separate and distinct repair transactions that occurred at different times and were purportedly assigned by untold, distinct policyholders. Each individual claim is specific to an individual defendant insurer, an individual policyholder, a specific automobile insurance policy, and a specific disputed repair transaction. In regard to the repairs insured by each of the Non-Diverse Defendants, Professionals can obtain relief *only* from the particular Non-Diverse Defendant that insured the repairs, not the other Defendants, all of whom have no connection to that repair transaction. Dismissal without prejudice would not deprive Professionals of an adequate remedy because, if it so chooses, it could

re-file separate lawsuits against each Non-Diverse Defendant. Accordingly, each of the Non-Diverse Defendants should be dismissed from this Action under Fed. R. Civ. P. 21.

IV. CONCLUSION.

Based on the foregoing, the Non-Diverse Defendants respectfully request that the Court dismiss each of them from this action under Fed. R. Civ. P. 21 for lack of subject matter jurisdiction.

Respectfully submitted,

/s/ Michael H. Carpenter

Michael H. Carpenter (OH15733)

Michael N. Beekhuizen

David J. Barthel

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280 North High Street

Columbus, Ohio 43215

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Counsel for defendant

Harleysville Insurance Company

/s/ Thomas A. French

Thomas A. French

Attorney I.D. No. PA 39305

BARLEY SNYDER LLP

213 Market Street, 12th Floor

Harrisburg, PA 17101

Phone: (717) 231-6625

Facsimile: (717) 344-5373

Email: tfrench@barley.com

Counsel for Defendant Donegal

Mutual Insurance Company

/s/ Michael B. de Leeuw
Michael B. de Leeuw
John J. Sullivan
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P: (212) 509-9400
F: (212) 509-9492
MdeLeeuw@cozen.com
JSullivan@cozen.com

*Counsel for Defendant
AIG Property Casualty Company*

CERTIFICATE OF SERVICE

I hereby certify that on August 7, 2020, I electronically filed the foregoing using the Court's ECF system, which will provide notice electronically to all counsel of record.

/s/ Michael H. Carpenter
Michael H. Carpenter

*Counsel for defendant
Harleysville Insurance Company*



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
11/20/2017	201732403248	DOMESTIC FOR PROFIT CORP - ARTICLES (ARF)	27,600.00	300.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

CORPORATION SERVICE COMPANY
DEANNE E. SCHAUSEIL
50 WEST BROAD STREET, SUITE 1330
COLUMBUS, OH 43215

**STATE OF OHIO
CERTIFICATE**

**Ohio Secretary of State, Jon Husted
4098409**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

HARLEYSVILLE INSURANCE COMPANY

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC FOR PROFIT CORP - ARTICLES

Effective Date: 06/09/1930

Document No(s):

201732403248



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
20th day of November, A.D. 2017.

Jon Husted
Ohio Secretary of State





MIKE DEWINE

★ OHIO ATTORNEY GENERAL ★

Health and Human Services
Office 614-466-8600
Fax 614-466-6090

30 East Broad St., 26th Floor
Columbus, Ohio 43215
www.OhioAttorneyGeneral.gov

November 15, 2017

Allison A. DeSantis
Director of Business Services
Ohio Secretary of State
180 E. Broad Street, 16th Floor
Columbus, OH 43215

**Re: Harleysville Insurance Company
Proposed Articles of Redomestication**

Dear Ms. DeSantis:

I have reviewed the Proposed Articles of Redomestication. I have also consulted with the Ohio Department of Insurance, which has expressed its approval of the Articles in question.

Based upon my review of these Articles and my review of the relevant statutes, I find the Articles to be in accordance with the constitution and laws of the State of Ohio and of the United States.

Very respectfully yours,

Mike DeWine
Ohio Attorney General

Melissa L. Wilburn
Assistant Attorney General

MLW/bck

cc: Stephen J. Vamos, Esq.
Enclosures

RECEIVED
NOV 20 11:27:30
IN DEPARTMENT OF HEALTH AND HUMAN SERVICES



MIKE DEWINE

— ★ OHIO ATTORNEY GENERAL ★ —

Health and Human Services
Office 614-466-8600
Fax 614-466-6090

30 East Broad St., 26th Floor
Columbus, Ohio 43215
www.OhioAttorneyGeneral.gov

November 3, 2017

Nationwide
ATTN: Jacqueline Gordon
One Nationwide Plaza
Mail Code 1-35-406
Columbus, Ohio 43215

**Re: Harleysville Insurance Company
Proposed Articles of Redomestication**

Dear Ms. Gordon:

I have reviewed the Proposed Articles of Redomestication. I have also consulted with the Ohio Department of Insurance, which has expressed its approval of the Articles in question.

Based upon my review of these Articles and my review of the relevant statutes, I find the Articles to be in accordance with the constitution and laws of the State of Ohio and of the United States.

Please note that you must wait to file these articles until such time as you have in hand an Order, executed by the Superintendent of Insurance, approving the proposed transfer of domicile into Ohio. Further, a copy of that Order should be a part of the filing of the Articles made with the Ohio Secretary of State.

Very respectfully yours,

Mike DeWine
Ohio Attorney General

Melissa L. Wilburn
Assistant Attorney General

MLW/bck

cc: Stephen J. Vamos, Esq.
Enclosures



Form 532A Prescribed by:
JON HUSTED
OHIO SECRETARY OF STATE

Toll Free: (877) SOS-FILE (877-767-3453)

Central Ohio: (614) 466-3810

www.OhioSecretaryofState.gov

busenrj@OhioSecretaryofState.gov

File online or for more information: www.OHBusinessCentral.com

Mail this form to one of the following:

Regular Filing (non expedite)

P.O. Box 670

Columbus, OH 43216

Expedite Filing (Two business day processing time)

Requires an additional \$100.00

P.O. Box 1200

Columbus, OH 43216

Initial Articles of Incorporation (For Profit, Domestic Corporation) Filing Fee: \$125 (113 - ARF)

First: Name of Corporation
(Name must include the following word or abbreviation: company, co., corporation, corp., incorporated, or inc.)

Second: Location of Principal office in Ohio
City: State:
County:

Effective Date (Optional):
mm/dd/yyyy (The legal existence of the corporation begins upon the filing of the articles or on a later date specified that is not more than ninety days after filing)

Third: The number of shares which the corporation is authorized to have outstanding.
(Please state if shares are common or preferred and their par value, if any.)

Number of Shares	Type	Par Value
<input type="text" value="See Exhibit A"/>	<input type="text"/>	<input type="text"/>

Fourth: If the corporation is to have an initial stated capital, please state the amount of that stated capital

Amount

****Note: ORC Chapter 1701 allows additional provisions to be included in the Articles of Incorporation that are filed with this office. If including any of these additional provisions, please do so by including them in an attachment to this form.****

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required

Articles and original appointment of agent must be signed by the incorporator(s).

If the incorporator is an individual, then they must sign in the "signature" box and print his/her name in the "Print Name" box.

If the incorporator is a business entity, not an individual, then please print the entity name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print his/her name and title/authority in the "Print Name" box.

Mark A Berven

Signature

By

Mark A. Berven, President and Chief Operating Officer

Print Name

Signature

By

Print Name

Signature

By

Print Name

EXHIBIT A
ARTICLES OF INCORPORATION AND REDOMESTICATION
OF
HARLEYSVILLE INSURANCE COMPANY

PREAMBLE: The document identifies the transaction as a redomestication subject to approval of the Superintendent of Insurance pursuant to Section 3913.40 of the Ohio Revised Code as it now exists or may hereafter be amended. On June 9, 1930, the Corporation was formed in the Minnesota and became currently domiciled in Pennsylvania on November 30, 2006. The Articles of Incorporation were amended on June 30, 1994, November 30, 1999, June 15, 2001, January 8, 2002, November 30, 2006 and January 1, 2007.

FIRST: The name of the corporation shall be Harleysville Insurance Company.

SECOND: The principal office shall be located in Columbus, Franklin County, Ohio.

EFFECTIVE DATE: December 1, 2017

THIRD: The number of shares which the corporation is authorized to have outstanding is 10,000,000 shares of common stock, with a par value of \$1.10 per share.

FOURTH: The amount of paid-in capital with which the Corporation began business in Ohio was \$2,612,500. As of June 30, 2017, the amount of surplus with which the Corporation began business in Ohio was \$26,566,040.

**PENNSYLVANIA DEPARTMENT OF STATE
 BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS**

Return document by mail to:
CSC order #124245-5 *UBJ*
 Name _____

 CSC
 (xx)Return document by email to: cscpa@cscglobal.com

Statement of Domestication
 DSCB:15-375
 (7/1/2015)



TCO200109LP0503

Read all instructions p

Fee: \$70

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. § 375 (relating to Statement of domestication), the undersigned entity, desiring to effect domestication, hereby states that:

A. For the domesticating entity:

1. The type of association is (check only one):

- Business Corporation
- Nonprofit Corporation
- Limited Liability Company
- Limited Partnership
- Limited Liability (General) Partnership
- Limited Liability Limited Partnership
- Business Trust
- Professional Association
- Other _____

2. The name of the domesticating entity is: AIG Property Casualty Company

3. The jurisdiction of formation of the domesticating entity: Pennsylvania

4. Date on which the domesticating entity was created, incorporated or formed: 05/17/1871
 (MM/DD/YYYY)

5. Check and complete one of the following addresses.

<input checked="" type="checkbox"/>	<p>If the domesticating entity is a domestic filing entity, domestic limited liability partnership or registered foreign association, the current registered office address as on file with the Department of State. Complete part (a) OR (b) – not both:</p> <p>(a) _____ Number and street City State Zip County</p> <p>(b) c/o: <u>Corporation Service Company</u> Dauphin Name of Commercial Registered Office Provider County</p>
<input type="checkbox"/>	<p>If the domesticating entity is a domestic entity that is not a domestic filing entity or limited liability partnership, the address, including street and number, if any, of its principal office:</p> <p>_____</p> <p>Number and street City State Zip County</p>
<input type="checkbox"/>	<p>If the domesticating entity is a nonregistered foreign association, the address, including street and number, if any, of its registered or similar office, if any, required to be maintained by the law of its jurisdiction of formation; or if it is not required to maintain a registered or similar office, its principal office:</p> <p>_____</p> <p>Number and street City State Zip</p>

2020 JAN -8 PM 4: 27
 PA. DEPT. OF STATE





November 26, 2019

VIA EMAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steven R. Harris
Deputy General Counsel
AIG Law Department
80 Pine Street, 13th Floor
New York, NY 10005

RE: Redomestication of AIG Property Casualty Company
From Pennsylvania to Illinois

Dear Mr. Harris:

Attached please find the Redomestication Order whereby the Deputy Insurance Commissioner has approved the redomestication of AIG Property Casualty Company from Pennsylvania to Illinois.

You will note there are a number of actions provided in the stipulations of the Orders. The Statement of Domestication filing made with the Department of State required by Condition #4 of the Order should be directed to the attention of Jannine Jones. Please feel free to contact me at (717) 783-2139 should you have any questions on these stipulations.

Very truly yours,

A handwritten signature in black ink that reads "Lori A. Bercher".

Lori A. Bercher
Insurance Company Licensing Specialist
Company Licensing Division

Attachments

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Section 357 of the
: Insurance Company Law of 1921,
Application of AIG Property Casualty : Act of May 17, 1921, P.L. 682, No.
Company for Approval to Redomesticate : 284, as amended, 40 P.S. §477e
from the Commonwealth of Pennsylvania :
to the State of Illinois : Order No. ID-RC-19-20

DECISION AND ORDER

AND NOW, on this 26th day of November 2019, Joseph DiMemmo, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (the "Deputy Insurance Commissioner"), hereby makes the following Decision and Order:

Pursuant to the Insurance Company Law of 1921 and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Insurance Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of Applicant

1. AIG Property Casualty Company ("AIGPC") is a domestic stock property insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in New York, New York.
2. AIG Property Casualty U.S., Inc. ("AIGUS") is a Delaware corporation with its principal place of business in New York, New York. AIGUS is the sole shareholder of the issued and outstanding stock of AIGPC.

Filing of Application

3. On September 26, 2019, the Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner") received an initial application (which, together with all material received subsequently, is collectively referenced as "Application") for approval of the redomestication of AIGPC from the Commonwealth of Pennsylvania to the State of Illinois.

4. The Application included a request for the licensure of AIGPC as a foreign insurance company organized under the laws of the State of Illinois effective simultaneous with its redomestication.
5. Section 357 of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §477e (the "Insurance Company Law"), provides that any transfer of domicile to any other state by a domestic insurer must be filed with the Commissioner for approval or disapproval.
6. Section 357(b) of the Insurance Company Law provides that, upon any transfer of domicile to any other state by a domestic insurer, said insurer shall be admitted to the Commonwealth of Pennsylvania if qualified as a foreign insurer.
7. As represented in the Application, the redomestication will have no impact on Pennsylvania employment.
8. As represented in the Application, the redomestication is being pursued in order to reduce AIGPC's premium tax burden and to correspondingly reduce expenses.
9. On August 22, 2019, the Board of Directors of AIGPC adopted a resolution consenting to the redomestication of AIGPC from the Commonwealth of Pennsylvania to the State of Illinois.
10. On September 24, 2019, AIGUS, as the sole shareholder of AIGPC, consented to the redomestication of AIGPC from the Commonwealth of Pennsylvania to the State of Illinois.

Department Procedures

11. On October 12, 2019, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by AIGPC and such notice invited interested persons to submit comments to the Department regarding the Application for a thirty (30) day period, ending November 11, 2019.
12. During the thirty (30) day comment period, the Department received no comments regarding the Application.
13. The Commissioner has delegated to the Deputy Insurance Commissioner authority to approve the application of domestic insurance companies seeking to redomesticate from Pennsylvania to a foreign jurisdiction.
14. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. The Insurance Company Law provides the Commissioner jurisdiction to review and approve the redomestication of AIGPC.
2. The Commissioner has delegated authority to approve the applications of domestic insurance companies seeking to redomesticate from Pennsylvania to a foreign jurisdiction to the Deputy Insurance Commissioner.
3. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes this redomestication is in accordance with law and is not injurious to the interest of all AIGPC policyholders.
4. In accordance with Section 357(b) of the Insurance Company Law, the Deputy Insurance Commissioner concludes that AIGPC would satisfy the requirements for licensure in the Commonwealth of Pennsylvania as a foreign insurer upon its redomestication to the State of Illinois.
5. The Application was properly filed pursuant to and in accordance with the Insurance Company Law.
6. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Section 357 of the
: Insurance Company Law of 1921,
Application of AIG Property Casualty : Act of May 17, 1921, P.L. 682, No.
Company for Approval to Redomesticate : 284, as amended, 40 P.S. §477e
from the Commonwealth of Pennsylvania :
to the State of Illinois : Order No. ID-RC-19-20

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner hereby makes the following Order:

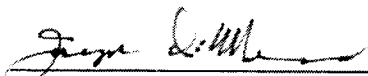
An approving determination for the redomestication of AIG Property Casualty Company ("AIGPC") to the State of Illinois and the issuance of a Certificate of Authority to AIGPC as a foreign stock life insurance corporation as set forth in the Application, is hereby granted subject to this Order and the following conditions:

1. AIGPC shall obtain approval of the redomestication from the Illinois Department of Insurance. A certified copy of the approval issued by the Illinois Department of Insurance shall be provided to the Deputy Insurance Commissioner within three (3) business days of receipt by AIGPC.
2. AIGPC shall file governing documents with the Illinois Department of Insurance. AIGPC shall provide the Deputy Insurance Commissioner with a copy of the governing documents indicating receipt by the Illinois Department of Insurance.
3. AIGPC shall surrender its current Certificate of Authority as a domestic insurance corporation to the Deputy Insurance Commissioner in exchange for the issuance of a Certificate of Authority as a foreign insurance corporation within seven (7) days of filing the governing documents with the Illinois Department of Insurance.
4. AIGPC shall file a Statement of Domestication with the Pennsylvania Department of State, Corporation Bureau within five (5) days of receiving all prerequisite documents. A complete copy of the Decision and Order must accompany the filing.

5. AIGPC shall provide a copy of the Statement of Domestication evidencing acceptance by the Pennsylvania Department of State to the Deputy Insurance Commissioner within ten (10) days of receipt.

This Order is effective immediately and is valid for one (1) year from the date of signature, provided there are no material changes to the Application.





Joseph DiMemmo
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation