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February 4, 2016

By Hand Delivery

Kristin L. Forsberg, CPA CFE
Insurance Financial Examiner/Licensing Specialist
Bureau of Financial Analysis and Examinations
Office of the Commissioner of Insurance
125 S. Webster St.
Madison, WI 53703

Re: In the Matter of the Acquisition of Control of NorthWestern National Insurance Company of Milwaukee, Wisconsin (“NNIC”) by SOBC Gamma Holding Company Limited (“SOBC”)

Dear Kristin:

Following up on our discussions, SOBC hereby requests approval by the Commissioner of Insurance, pursuant to Wis. Stat. § 611.72 and Wis. Admin. Code § Ins 40.02, of the acquisition by SOBC of control of NNIC (the “Acquisition”). On behalf of SOBC, we have enclosed two conformed paper copies of the manually signed original of a Form A in support of this request (we will provide the manually signed original of the Form A and the biographical affidavits in Appendix 3 to the Form A as soon as possible). Also enclosed are (1) a copy of a Consent to Jurisdiction Statement for each of SOBC, SOBC Holding Company Limited, and SOBC Corp. pursuant to Wis. Stat. § 617.11(5) and Wis. Admin. Code § Ins 40.19 (again, we will provide the manually signed originals of these statements as soon as possible), and (2) conformed electronic copies of this cover letter, the portions of the Form A that are not confidential, and the Consent to Jurisdiction Statement. I have delivered a copy of the Form A to NNIC, as required by Wis. Admin. Code § Ins 40.02(1)(b)1., by sending a copy of this letter and the enclosed Form A to Ernie J. Blache, President of NNIC.

As described in Item 1 of the enclosed Form A, SOBC is a subsidiary of SOBC Corp., which specializes in the acquisition and management of distressed or run-off insurance or reinsurance entities. To date, SOBC Corp. and its predecessor have acquired six insurance entities in run-off; closed two, re-financed and restarted another as a live underwriting operation, and sold a further two after managing the liabilities to an acceptable level of risk. As described further in Item 5 of the Form A, SOBC plans to streamline the run-off management of NNIC, settle claims where possible, and reduce costs, thereby increasing the likelihood that NNIC will remain solvent. As you will note from § 11.01(iv) of the Stock Purchase Agreement, the Acquisition may be

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abandoned if it is not closed by April 30, 2016. Therefore, we would very much appreciate your action on the Form A as much in advance of that date as is possible.

In addition to requesting approval of the Acquisition, we request that the submission of the Intercompany Services Agreement in Appendix 6 to the Form A substitute for any Form D that might otherwise be required by NNIC under Wis. Stat. § 617.21(2) and Wis. Admin. Code § Ins 40.04, and that OCI permit them with approval of the Form A.

Please note that part of Appendix 1 and Appendices 3, 4, and 5 to the Form D (the “Confidential Information”) contain proprietary and confidential information. Pursuant to Wis. Admin. Code § Ins 40.05, the Confidential Information is required under Wis. Stat. § 601.42; moreover, the Confidential Information is not public, and is therefore presumed to be proprietary and confidential under Wis. Stat. § 601.465(1n)(a), and the Office may withhold this information from public disclosure under Wis. Stat. § 601.465(1m)(a). The Confidential Information also includes “trade secrets” under Wis. Stat. § 134.90(1)(c) because it “derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use [and] is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.” As you know, a trade secret is exempt from the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. Code § Ins 6.13(2). Finally, the public value of the personal information in biographical affidavits is outweighed by the possible harm to persons submitting these affidavits, and, in particular, social security numbers are exempt from the public records law. *See* § VIII.E.4. (p. 23) of the Wisconsin Attorney General’s 2010 public records compliance outline. In line with these provisions, we request that you do not release the Confidential Information to the public.

If you have any questions, please do not hesitate to contact me or Tom Hodson of SOBC (at thomas.hodson@sobccorp.com or 860-614-3656). Otherwise, we look forward to obtaining your Office’s approval of this transaction, and we would appreciate receiving a copy of your recommendation. Thank you for your consideration.

Very truly yours,

QUARLES & BRADY LLP



William J. Toman

Enclosures
158793.00002

cc(w/enc.): Thomas Hodson
Ernie J. Blache, NNIC
Steven J. Junior