



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

September 1, 2015

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MR ROBERT M. FETTMAN
ATTORNEY
SULLIVAN & CROMWELL LLP
125 BROAD STREET
NEW YORK NY 10004-2498

Re: Form A – Acquisition of Control of Pacific Indemnity Company by ACE Limited, ACE Group Holdings, Inc. and ACE INA Holdings Inc. (Collectively, the "Applicant" or "ACE")

Dear Mr. Fettman:

The State of Wisconsin Office of the Commissioner of Insurance ("OCI") has completed an initial review of the above-referenced Form A filing submitted on August 14, 2015 by the Applicant. Our review identified certain items requiring follow-up, as indicated below. ***To ensure that the Form A review continues to move forward expeditiously, please provide the following information at your earliest convenience:***

1. **Consent to Jurisdiction:** s. Ins 40.19 of the Wisconsin Administrative Code requires that any person required to file consent under s. 617.11 (5) of the Wisconsin Statutes shall do so using the Consent to Jurisdiction statement (Form AA) found at the end of Chapter 40 of the Wisconsin Administrative Code. ***Please submit a "Consent to Jurisdiction" statement (completed and signed by a representative of ACE).***
2. **Holding Company Merger:** The Form A states that immediately following the Proposed Acquisition of Chubb, the Acquiring Party will cause Chubb to merge with and into ACE INA, with ACE INA as the surviving corporation (the "Holding Company Merger"), and that ***the Holding Company Merger will be effected in accordance with an agreement and plan of merger*** to be entered into between ACE INA and William Holdings (the merger sub). ***Please provide a copy of the referenced Holding Company Merger Agreement. In addition, please provide copies of the proposed Articles and Bylaws of ACE INA following the Holding Company Merger.***
3. **Merger Agreement – Schedules:** The Merger Agreement (Exhibit 1) referenced a Company Disclosure Schedule, and a Parent Disclosure Schedule. ***Please provide copies of these Disclosure Schedules.***
4. **Opinion of Financial Advisor:** Article 3.28 of the Merger Agreement (Exhibit 1) states: "Prior to the execution of this Agreement, the Company received an opinion from Guggenheim, to the effect that the Merger Consideration pursuant to this Agreement is fair, from a financial point of view, to the holders of the Company's Common Stock. ***Please provide a copy of Guggenheim's written opinion as to the fairness of the merger consideration to Chubb's stockholders.***
5. **Post-Holding Company Merger Organizational Chart:** The post-acquisition organizational chart (Exhibit 2-A) shows the organization of the ACE group after the Proposed Acquisition of Chubb, but before the merger of Chubb into ACE INA. ***Please provide an abbreviated holding company organizational chart showing only the Chubb group post-Holding Company Merger, including all direct and indirect parent companies.***

6. Board Resolution - Chubb: ***Please provide a certified copy of Chubb's Board resolution recommending adoption of the Merger Agreement.***
7. Shareholder Resolution - Chubb: ***Please provide a certified copy of the Chubb shareholder's resolution approving the Merger Agreement and the Merger Consideration.***
8. Debt-to-Equity and Debt Service Coverage Ratios:
 - (a) Debt-to-Equity Ratio: ***Please discuss whether ACE has a target threshold for this ratio. In addition, please provide the ACE group's consolidated projected Debt to Equity ratio for 2016 – 2018 (assuming the proposed transaction is completed).***
 - (b) Debt Service Coverage ("DSC") Ratio: ***Please discuss whether ACE has a target threshold for this ratio. In addition, please provide the ACE group's consolidated projected DSC ratio for 2016 – 2018 (assuming the proposed transaction is completed).***
9. Hart-Scott-Rodino ("HSR") Anti-Trust: ***Please provide copies of any correspondence (as such correspondence becomes available) between the Applicant, the Federal Trade Commission, and the federal Department of Justice, pertaining to the merger review process under the Hart-Scott-Rodino Act.***
10. Form E – Pre-Acquisition Notification: ***Please discuss whether the Applicant intends to file a Form E in the State of Wisconsin, or alternatively, please submit evidence to support any of the following assertions:***
 - (a) *In no market would the combined market share of the involved insurers exceed 5% of the total market, or*
 - (b) *There would be no increase in any market share, or*
 - (c) *In no market, would the combined market share of the involved insurers exceed 12% of the total market and the market share would not increase by more than 2% of the total market.*

[Note: For the purposes of this request, a 'market' means direct written insurance premium in this state for a line of business as contained in the NAIC annual statement.]

Please feel free to call me at (608) 266-9896, or e-mail me at kristin.forsberg@wisconsin.gov.

Sincerely,



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