by [redacted]

[redacted]

[redacted] October 24, 2000

VIA OVERNIGHT COURIER

Mr. Thomas Hancock
Premerger Notification Office
Federal Trade Commission
6th & Pennsylvania Avenues, N.W.
[illegible]

Re: Indemnity Reinsurance Transaction; Section 7A(c)(1) of Clayton Act

Dear Mr. Hancock:

I am writing this letter to confirm oral advice you provided to the undersigned in a telephone [illegible]

[illegible]

issued by a second insurance company (the "Ceding Company").

The Reinsuring Company and the Ceding Company each have total assets in excess of $100 million. The Ceding Company will transfer to the Reinsuring Company a reinsurance premium [illegible]

controls exercised by the Reinsurer, to administer the Policies, providing all premium collection, claims and other policyholder services.

The present transaction is purely an indemnity reinsurance transaction between two insurance [illegible] t by: [redacted]

[redacted]

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remain primarily responsible for all losses, although the Reinsuring Company will be obligated to reimburse the Ceding Company for all contractual losses incurred and, as a practical matter, will pay [illegible]

transaction, such as any claims for discriminatory practices, will be retained by the Ceding Company.

[illegible]

Commission Staff supports this position. Although we understand that such informal advice is not binding on the Federal Trade Commission, we direct your attention to the Letters to Thomas Hancock [redacted] Freedom of Information Act requests and are available on the internet at http://hsrscan.westlaw.com.

Please confirm to that the analysis set forth herein accurately reflects the advice you provided in our earlier telephone conversation. I understand that you will write your comments on this letter and that it will subsequently be publicly available through requests under the Freedom of [illegible]

Very truly yours,

[redacted]

It remains the position of the PNO that indemnity re-insurance transactions are not acquisitions under the rules and hence are not reportable

-TFH