

[REDACTED]

October 19, 1999

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VIA FACSIMILE (202) 326-2624

Mr. James Farkingstad,
Premerger Notification Office
Federal Trade Commission
6th & Pennsylvania Avenues, N.W.
Washington, D.C. 20580

Re: Acquisition from State Insurance Commissioner Acting as Receiver

Dear Mr. Farkingstad:

We are writing this letter to confirm oral advice you provided to the undersigned in a telephone conversation on October 14, 1999 regarding the applicability to the following transaction of the notification requirements under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 and the Federal Trade Commission's implementing regulations (collectively, the "Act").

An insurance company (the "Reinsuring Company"), will reinsure on an assumption basis, certain life insurance policies and annuity and supplementary contracts issued by a second insurance company (the "Ceding Company"). The Reinsuring Company will also be purchasing certain tangible assets related to the insurance policies and contracts being reinsured.

The Ceding Company is currently in receivership. The Insurance Commissioner of the Ceding Company's state of domicile, an elected official (the "Commissioner"), filed an application to a state district court (the "Court"), which issued an order (the "Order") which, among other things,

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transfer and deliver to the Commissioner all property, including books and records, of the Ceding

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The Reinsuring Company and the Commissioner are negotiating a contract for the assumption reinsurance by the Reinsuring Company of certain obligations of the Ceding Company

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and the transfer to the Reinsuring Company of certain assets of the Ceding Company. Pursuant to the Order, any transaction must be approved by the Court.

The Reinsuring Company has total assets in excess of \$100 million and the Ceding Company has total assets in excess of \$10 million. Both companies are engaged in interstate commerce. Although the unusual nature of the transaction makes it difficult to calculate the total consideration to be paid for the insurance policies, contracts and assets, we presently believe that the total consideration (calculated in accordance with Interpretation 110 of the ARA Proportionate Notification

Based upon our conversation, it is our understanding that the present transaction is exempt from the provisions of the Act because the Commissioner qualifies as a State under

As we discussed in our telephone conversation, we believe that the Federal Trade Commission staff's informal position is that transfers to or from state insurance commissioners are not subject to the provisions of Section 74 (b)(4) of the Act. Although our

is available on the internet at [REDACTED]

If you believe the analysis set forth herein does not accurately reflect the advice you provided your assistance with this matter.

Very truly yours,

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