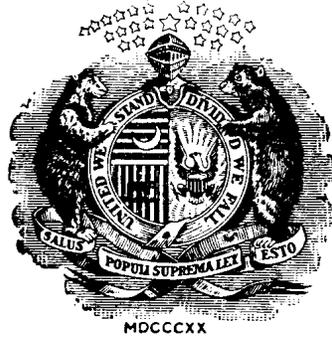


# STATE OF MISSOURI

DEPARTMENT OF



INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE:           The Proposed Acquisition of           )  
                  First American Insurance Company    )  
                  by Warburg Pincus (Bermuda)            )  
                  Private Equity VIII, L.P., Warburg        )  
                  Pincus (Bermuda) International            )  
                  Partners, L.P., Warburg Pincus            )  
                  Netherlands International Partners        )  
                  I, C.V., and Warburg Pincus                )  
                  Netherlands International Partners        )  
                  II, C.V.                                        )

Case No. 011221760C

## **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

Based on the testimony and other evidence presented, I, SCOTT B. LAKIN, Director of the Department of Insurance, State of Missouri, find and conclude that:

1. On or about December 17, 2001, a Form A Registration Statement was filed with the Missouri Department of Insurance (the "Department") on behalf of Warburg Pincus (Bermuda) Private Equity VIII, L.P., Warburg Pincus (Bermuda) International Partners, L.P., Warburg Pincus Netherlands International Partners I, C.V. and Warburg Pincus Netherlands International Partners II, C.V., (together "Warburg Pincus" or "Applicants"), in connection with their proposed indirect acquisition of First American Insurance Company ("FAIC"), a Missouri stock property and casualty insurance company.

2. On January 3, 2002, the Department issued a Notice of Hearing, ordering that a public hearing on the proposed acquisition be held at 10:00 a.m. January 24, 2002, in Room 630 of the Harry S. Truman Building, 301 West High Street, Jefferson City, Missouri, and on January 24, 2002, the Department issued an Order of Continuance continuing the hearing to February 6, 2002, at 10:00 a.m. A public hearing was held on February 6, 2002, at 10:00 a.m. in Room 250A of the

Harry S Truman Building, 301 West High Street, Jefferson City, Missouri. Ann Monaco Warren appeared for Applicants. Mark W. Stahlhuth appeared for the Department's Division of Financial Regulation.

3. The preponderance of the evidence on the whole record does not show any of the following:

A. After the acquisition of FAIC by the Applicants, FAIC will not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

B. The effect of the acquisition of FAIC by the Applicants will substantially lessen competition in insurance or tend to create a monopoly in this State.

C. The financial condition of Applicants is such as might jeopardize the financial stability of FAIC or prejudice the interests of its policyholders.

D. Applicants have plans to liquidate or sell FAIC or to consolidate or merge it with other companies or to make any other material change in FAIC's business, corporate structure, or management that would be unfair or unreasonable to policyholders of FAIC or contrary to the public interest.

E. The competence, experience, and integrity of Applicants' management are such that it would be contrary to the interest of policyholders of FAIC and to the public to permit the acquisition of FAIC by the Applicants.

F. The proposed acquisition of FAIC by the Applicants is likely to be hazardous or prejudicial to the insurance buying public.

### **ORDER**

Based on the foregoing Findings and Conclusions, the proposed indirect acquisition of First American Insurance Company by Warburg Pincus (Bermuda) Private Equity VIII, L.P., Warburg Pincus (Bermuda) International Partners, L.P., Warburg Pincus Netherlands International Partners I, C.V., and Warburg Pincus Netherlands International Partners II, C.V. is **APPROVED**.

So ordered, signed and official seal affixed this \_\_\_\_ day of February, 2002.

---

SCOTT B. LAKIN, Director  
Missouri Department of Insurance