



FILED

NOV 16 2020

INSURANCE REGULATION
Docketed by:

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 272454-20-CO

Application for the Direct Acquisition of
ASHMERE INSURANCE COMPANY by
NORTH AMERICAN CASUALTY CO.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for approval of the proposed direct acquisition of 100% of the issued and outstanding voting securities of ASHMERE INSURANCE COMPANY (“ASHMERE”) by NORTH AMERICAN CASUALTY CO. (“APPLICANT”), pursuant to Section 628.461, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all the conditions precedent to the granting of approval by the OFFICE of the proposed acquisition of 100% of the issued and outstanding voting securities of ASHMERE by APPLICANT, pursuant to the requirements of the Florida Insurance Code.

3. ASHMERE is a domestic property and casualty insurer that is authorized to transact casualty insurance in Florida through a subsisting Certificate of Authority issued by the OFFICE, pursuant to Chapter 624, Part III, Florida Statutes.

4. ASHMERE is 100% owned by SUNZ INSURANCE COMPANY (“SUNZ”), a domestic property and casualty insurer whose voting securities are owned 100% by Sunz Holdings, LLC, a Florida limited liability company whose membership interest is owned 100% by Steven F. Herrig.

5. APPLICANT is a Nebraska corporation that is 100% owned by AU HOLDING COMPANY, INC. (“AU HOLDING”), a Delaware corporation that is 100% owned by STEVEN M. MENZIES.

6. The Application represents that on or about August 3, 2020, APPLICANT entered into a Stock Purchase Agreement (“Agreement”) with SUNZ, whereby APPLICANT agreed to purchase 100% of the issued and outstanding common stock of ASHMERE from SUNZ, upon receipt of all requisite regulatory approvals, at an agreed-upon amount of consideration (“Transaction”). Upon completion of the Transaction contemplated in this Application and the Agreement, the voting securities of ASHMERE will be owned 100% by APPLICANT.

7. APPLICANT, AU HOLDING, STEVEN M. MENZIES, and ASHMERE represent that, except as disclosed in the Application, none of the individuals who will exercise control subsequent to this acquisition, directly or indirectly, over ASHMERE have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or a misdemeanor, other than a civil traffic offense.

8. APPLICANT, AU HOLDING, STEVEN M. MENZIES, or ASHMERE shall submit, or cause to be submitted, to the OFFICE completed fingerprint cards or LiveScan

fingerprints for Jon M. McCright, STEVEN M. MENZIES, Robert L. Stafford, and Marc M. Tract within 90 days of the execution of this Consent Order.

9. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, AU HOLDING, STEVEN M. MENZIES, and ASHMERE shall remove said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes, and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of ASHMERE without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

10. APPLICANT, AU HOLDING, and ASHMERE have filed with the Application a Plan of Operation, including three years of financial projections. Any material deviation from said Plan of Operation requires prior written approval by the OFFICE.

11. All parties to this Consent Order agree that this Consent Order shall be deemed null and void if the Transaction as contemplated in this Application is not completed, or any other requisite regulatory approvals are not obtained, within 60 days of execution of this Consent Order.

12. Within 10 business days after the Transaction contemplated in this Application is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE any documents evidencing completion of said Transaction not already provided to the OFFICE. Further, APPLICANT, AU HOLDING, STEVEN M. MENZIES, SUNZ, or ASHMERE shall notify the OFFICE within 3 business days of the final determination that the Transaction contemplated in this Application will not occur.

13. All parties to this Consent Order acknowledge that consummation of the proposed Transaction is subject to obtaining all appropriate regulatory approvals in addition to satisfying other terms and conditions of the Agreement. Accordingly, if APPLICANT fails to receive any other requisite regulatory approvals, or the Transaction is not consummated, the provisions of this Consent Order shall terminate automatically and have no effect.

14. ASHMERE shall, no later than 15 days after the month in which the Transaction contemplated in this Application is completed, file an update to its Holding Company Registration Statement, as required by Section 628.801, Florida Statutes, and Rule 690-143.046, Florida Administrative Code.

15. Pursuant to Sections 628.461(3)(f)-(g), Florida Statutes, APPLICANT, AU HOLDING, or STEVEN M. MENZIES, or any other party meeting the definition of “ultimate controlling person” as defined in Section 628.801(2), Florida Statutes, shall file with the OFFICE the Enterprise Risk Report required by Section 628.801(2), Florida Statutes, and any and all additional information necessary to evaluate the enterprise risk of ASHMERE and its affiliates.

16. Pursuant to Section 624.10(3), Florida Statutes, and upon completion of the Transaction, APPLICANT, AU HOLDING, and STEVEN M. MENZIES will be controlling entities and, as such, shall comply with Section 628.461(12)(b), Florida Statutes, should APPLICANT, AU HOLDING, or STEVEN M. MENZIES choose to divest their controlling interest in ASHMERE.

17. Any prior orders, consent orders, or corrective action plans that ASHMERE has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for ASHMERE, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

18. APPLICANT, AU HOLDING, STEVEN M. MENZIES, ASHMERE, and SUNZ affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of ASHMERE. APPLICANT, AU HOLDING, STEVEN M. MENZIES, ASHMERE, and SUNZ further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

19. ASHMERE shall report to the OFFICE, Property & Casualty Financial Oversight, any time that ASHMERE is named as a party defendant in a class action lawsuit within 15 days after the class is certified. ASHMERE shall include a copy of the complaint at the time it reports the class action lawsuit to the OFFICE.

20. ASHMERE shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. ASHMERE agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. ASHMERE further agrees that it shall notify the OFFICE within 5 business days of identifying a data breach.

21. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. ASHMERE shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with

those individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>.

22. Within 60 days from the date of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

23. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

24. APPLICANT, AU HOLDING, STEVEN M. MENZIES, ASHMERE, and SUNZ expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, AU HOLDING, STEVEN M. MENZIES, ASHMERE, and SUNZ hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

25. APPLICANT, AU HOLDING, STEVEN M. MENZIES, and ASHMERE affirm that all requirements set forth herein are material to the issuance of this Consent Order.

26. APPLICANT, AU HOLDING, STEVEN M. MENZIES, and ASHMERE agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending,

revoking, or taking other administrative action as it deems appropriate upon the Certificate of Authority of ASHMERE in this state, in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

27. Each party to this action shall bear its own costs and fees.

28. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of STEVEN M. MENZIES, as well as the signatures of the authorized representatives of APPLICANT, AU HOLDING, ASHMERE, and SUNZ, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, AU HOLDING, STEVEN M. MENZIES, ASHMERE, and SUNZ agree that their signatures or that of their authorized representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the indirect acquisition of 100% of the issued and outstanding voting securities of ASHMERE INSURANCE COMPANY by NORTH AMERICAN CASUALTY CO., pursuant to Section 628.461, Florida Statutes, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 16 day of November, 2020.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, SUNZ INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SUNZ INSURANCE COMPANY to the terms and conditions of this Consent Order.

SUNZ INSURANCE COMPANY

By: [Signature]

Print Name: Steven F. Herrig

Title: CEO

Date: November 13, 2020

STATE OF Florida

COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 13th day of November 2020, by Steven Herrig

(name of person)

as CEO for Sunz Insurance Company

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

[Signature]
(Signature of the Notary)

Jonathan Weis
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____



JONATHAN WEIS
Commission # GG 906138
Expires October 5, 2023
Bonded thru Budget Notary Services

By execution hereof, ASHMERE INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind ASHMERE INSURANCE COMPANY to the terms and conditions of this Consent Order.

ASHMERE INSURANCE COMPANY

By: [Signature]

Print Name: Steven F. Herrig

Title: CEO

Date: November 13, 2020

STATE OF Florida

COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 13th day of November 2020, by Steve Herrig

as CEO for Ashmere Insurance Company
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]
(Signature of the Notary)

Jonathan Weis
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____



JONATHAN WEIS
Commission # GG 906438
Expires October 5, 2023
Bonded Thru Budget Notary Services

By execution hereof, NORTH AMERICAN CASUALTY CO., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind NORTH AMERICAN CASUALTY CO., to the terms and conditions of this Consent Order.

NORTH AMERICAN CASUALTY CO.

By: 

Print Name: Jeffrey A. Silver

Title: Vice President

Date: November 13, 2020

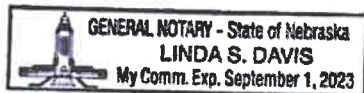
STATE OF NEBRASKA

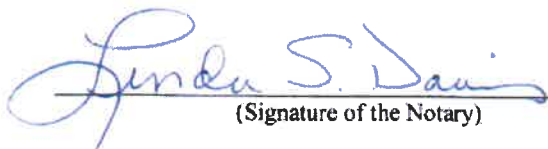
COUNTY OF DOUGLAS

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 13 day of November 2020, by Jeffrey A. Silver
(name of person)

as Vice President for North American Casualty Co.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)




(Signature of the Notary)

Linda S. Davis
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 09/01/2023

By execution hereof, AU HOLDING COMPANY, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind AU HOLDING COMPANY, INC., to the terms and conditions of this Consent Order.

AU HOLDING COMPANY, INC.

By: 

Print Name: Jeffrey A. Silver

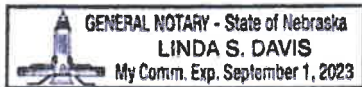
Title: Secretary

Date: November 13, 2020

STATE OF NEBRASKA

COUNTY OF DOUGLAS

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 13 day of November 2020, by Jeffrey A. Silver
(name of person)
as Secretary for AU Holding Company, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)




(Signature of the Notary)

Linda S. Davis
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 09/01/2023

By execution hereof, STEVEN M. MENZIES consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein.

[Handwritten signature of Steven M. Menzies]

STEVEN M. MENZIES

Date: 11/12/20

STATE OF NEBRASKA

COUNTY OF DOUGLAS

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 12 day of November 2020, by Steven M. Menzies (name of person) as President for AU Holding Company, Inc.09 (type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Handwritten signature of Linda S. Davis]
(Signature of the Notary)



Linda S. Davis
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 09/01/2023

COPIES FURNISHED TO:

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