

7(A) c-5

May 26, 1989

FEDERAL EXPRESS

Federal Trade Commission
Premerger Notification Office
Bureau of Competition, Room 303
Sixth St. & Pennsylvania Ave., N.W.
Washington, D.C. 20580

Attention: Patrick Sharpe

Re: Request for Informal Interpretation Concerning
Reinsurance of Insurance Policies and Sale of Assets

Dear Mr. Sharpe:

With reference to our telephone conversations of May 25, 1989, my understanding of the position of the Federal Trade Commission (the "FTC") is as follows:

Assuming the size-of-person test is met, where substantially all of the outstanding insurance policies of an insurance company (the "Company") will be reinsured by another insurance company (the "Buyer") and substantially all of the other assets of the Company will be acquired by the Buyer for a total purchase price exceeding \$15 million, such transaction is reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Specifically, where essentially the entire business of an insurance company is being acquired through a reinsurance and asset transaction, such transaction is not exempt under § 7A(c)(5) of the Clayton Act, 15 U.S.C. § 18a(c)(5) (1976), as business of insurance that is regulated by the states even though the transaction must be approved by the applicable state insurance departments.

It is my further understanding that a response to this letter will be made only if the preceding paragraph does not correctly reflect the policy of the FTC. If that is the case, I respectfully request a response at your earliest convenience.

MAY 30 11 53 AM '89
FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION
OFFICE

[REDACTED]
Federal Trade Commission
May 26, 1989
Page 2

If you have any questions regarding the above-described transaction or you require further information, please call me at [REDACTED]

Very truly yours,
[REDACTED]
[REDACTED]

DKL/sd

cc: [REDACTED]

I concur
(BS) 5-30-89
c-5 not applicable