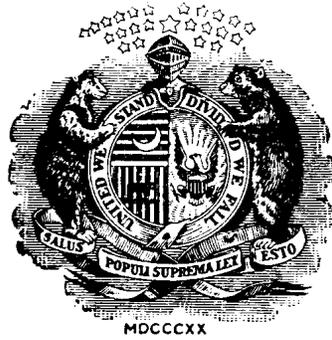


# STATE OF MISSOURI

DEPARTMENT OF



INSURANCE

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

In re: Proposed Acquisition of: )  
 )  
American Central Insurance Company ) Case No. 001030482C  
By )  
White Mountains Insurance Group, Ltd., )  
White Mountains Holdings (Barbados) )  
SRL, WM Asset Management (Barbados) )  
Ltd., WM Bridgetown (Barbados) Ltd., )  
WM Enterprises (Barbados) Ltd., )  
TACK Holding Corp. and TACK )  
Acquisition Corp. )

## FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

### Findings of Fact and Conclusions of Law

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. A certified Statement (the "Original Statement") was filed on October 24, 2000, with the Missouri Department of Insurance ("MDI") by White Mountains Insurance Group, Ltd. ("White Mountains"), White Mountains Holdings (Barbados) SRL, TACK Holding Corporation and TACK Acquisition Corporation in connection with the proposed acquisition of American Central Insurance Company ("American Central") (the "Proposed Acquisition"). Upon the filing of the Original Statement, and pursuant to a Notice of Hearing dated November 3, 2000, a public hearing was held on November 28, 2000, regarding the Proposed Acquisition. Change No. 1 to

the Form A Statement (the “Amended Statement”) regarding the Acquisition of Control of American Central Insurance Company by White Mountains Insurance Group, Ltd., White Mountains Holdings (Barbados) SRL, WM Asset Management (Barbados) Ltd., WM Bridgetown (Barbados) Ltd., WM Enterprises (Barbados) Ltd., TACK Holding Corp. and TACK Acquisition Corp. ("Applicants") was filed on March 12, 2001 with the Missouri Department of Insurance.

2. The Applicants intend to acquire control of American Central through the purchase of all of the issued and outstanding stock of CGU Corporation, a Delaware corporation (“CGUC”). CGUC is the indirect parent of American Central. The Proposed Acquisition is to be effectuated pursuant to a Stock Purchase Agreement, dated as of September 24, 2000, and amended as of October 15, 2000 and February 20, 2001, between CGU International Holdings Luxembourg S.A., a Luxembourg corporation, CGU Holdings LLC, a Delaware limited liability company, CGNU plc, a company incorporated under the laws of England and Wales, and one or more of the Applicants or their subsidiaries. (See the Stock Purchase Agreement and Amendment No. 1 to the Stock Purchase Agreement, attached to the Original Statement as Exhibit 5; and Amendment No. 2 to the Stock Purchase Agreement, attached to the Amended Statement as Exhibit 5-A.).

3. The evidence on the whole record is insufficient to support any of the following:

(a) After the acquisition of American Central by the Applicants, American Central will be unable 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 American Central by the Applicants will be substantially to lessen competition in insurance in the State of Missouri or tend to create a monopoly therein;

(c) The financial condition of the Applicants is such as might jeopardize the financial stability of American Central or prejudice the interests of its policyholders;

(d) The Applicants have plans to liquidate or sell American Central or to consolidate or merge it with other persons or to make a material change in its business, corporate structure or management, which would be unfair or unreasonable to the policyholders of American Central or contrary to the public interest;

(e) The competence, experience and integrity of the Applicants' management are such that it would be contrary to the interests of the policyholders of American Central and of the public to permit the acquisition of American Central by the Applicants;

(f) The acquisition of American Central by the Applicants is likely to be hazardous or prejudicial to the insurance-buying public.

### **Order**

Based on the foregoing Findings and Conclusions and pursuant to the provisions of sections 382.040 to 382.060, RSMo, the merger or other acquisition of control of American Central Insurance Company as proposed by the Applicants in the Original Statement and the Amended Statement, is **APPROVED**.

So ordered, signed and official seal affixed this \_\_\_\_ day of \_\_\_\_\_, 2001.

---

Scott B. Lakin, Director