

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

FEB 21 2012

INSURANCE COMMISSIONER
OKLAHOMA

IN RE: Request for Disclaimer of Affiliation)
By DAVIS SELECTED ADVISORS, L. P.)
Relating to LANDMARK AMERICAN)
INSURANCE COMPANY,)
a Domestic Oklahoma Surplus Lines Insurer.)

Case No. 12-0177-TRN

ORDER CONSENTING TO DISCLAIMER OF INTEREST

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, to consider the request of Landmark American Insurance Company ("the Domestic Surplus Lines Insurer") and Davis Selected Advisors, L.P. ("Davis Advisors"), for a disclaimer of interest. Based on applicable Oklahoma law and the facts as stated in the documentation submitted in support of this request, the Insurance Commissioner states:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and, as such, he is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq. Under 36 O.S. §§ 1651 and 1654 (i), the Insurance Commissioner has the authority to review and allow or disallow requests for disclaimers of interest as a "control person" as that term is defined and used in 36 O.S. § 1651. Under this Section of the Oklahoma Insurance Code, a person or entity is presumed to have "control" of an Oklahoma Domestic Surplus Lines Insurer if it owns, directly or indirectly, 10% or more of such insurer.

2. The Domestic Surplus Lines Insurer is authorized to transact accident & health, property, casualty, marine, vehicle and surety insurance in the State of Oklahoma pursuant to Certificate of Authority Number 4439 (NAIC CoCode 33138).

3. The Domestic Surplus Lines Insurer is a wholly-owned subsidiary of Alleghany Corporation ("Alleghany"), a publically traded company and head of an insurance holding company system.

FINDINGS OF FACT

1. On or around January 26, 2012, Davis Advisors submitted by letter with supporting information and documentation a request for disclaimer of control of the Domestic Surplus Lines Insurer.

2. In its papers, Davis Advisors describes recent merger activity of Alleghany, whereby other subsidiaries of Alleghany acquired Transatlantic Holdings, Inc. ("the TRH merger"). This merger does not affect the standing of Alleghany as the ultimate controlling person of the Domestic Surplus Lines Insurer.

3. Davis Advisors represents itself as an investment adviser. Davis Advisors states that on behalf of its clients, it invests in publicly-traded equity securities and that through such client accounts it owns shares of Alleghany, therefore indirectly having an ownership interest in the Domestic Surplus Lines Insurer.

4. Davis Advisors states that in the course of its ordinary business, and additionally due to Alleghany's acquisition of TRH, as well as other business activities of Alleghany, its clients may at the consummation of the TRH merger beneficially own approximately 16% of Alleghany stock. Davis Advisors claims it does not intend to change or influence control of the Domestic Surplus Lines Insurer, but instead owns shares of Alleghany only passively in the ordinary course of business.

5. Based on the documents submitted by the Davis Advisors:

- Is not under common management, and does not share any common officers or directors with Alleghany;

- Agrees not to vote, directly or indirectly, or by proxy, shares of Alleghany and/or the Domestic Surplus Lines Insurer in such a way as to attempt to change or influence the control of Alleghany and/or the Domestic Surplus Lines Insurer, or participate with others in any transaction or confederation having that purpose or effect;
- Agrees not to purchase the common stock of Alleghany and/or the Domestic Surplus Lines Insurer other than solely for investment purposes, and not to make purchases for the purposes of acquiring or seeking to acquire control over Alleghany and/or the Domestic Surplus Lines Insurer;
- Agrees not to use any direct or indirect means to cause the direction, or attempt to direct or cause the direction of the management policies of the Domestic Surplus Lines Insurer;
- Agrees not to propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or the Board of Directors of Alleghany and/or the Domestic Surplus Lines Insurer;
- Agrees not to seek or accept representation on the Board of Directors of Alleghany and/or the Domestic Surplus Lines Insurer.
- While Davis Advisors states it may obtain ownership of Alleghany shares up to 24.9% in the course of its business, Davis Advisors has through Voting Agreement with Alleghany limited its discretionary voting authority to 9.99% of Alleghany's shares. Davis Partners has stated in its papers that the Voting Agreement provides that Alleghany has a proxy to vote any Excess Shares Davis Advisors may hold in excess of 9.99% in a manner proportionate to the vote of other shareholders, thus legally insulating Davis Advisors from voting such Excess Shares.

CONCLUSIONS OF LAW

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq. Under 36 O.S. §§ 1651 and 1654 (i), the Insurance Commissioner has the authority to review and allow or disallow requests for disclaimers of interest as a "control person" as that term is defined and used in 36 O.S. § 1651. Under this Section of the Oklahoma Insurance Code, a person or entity is deemed to have "control" of an

Oklahoma Domestic Surplus Lines Insurer if it owns, directly or indirectly, 10% or more of such insurer.

2. Title 36, Section 1651(c) of the Oklahoma statutes states:

(c) Control. The term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns controls, holds with the power to vote, or holds proxies representing ten percent (10%) or more of the voting securities of any other person. This presumption may be rebutted by a showing that control does not exist in fact in the manner provided in Section 4(i). The Commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

3. The burden of proof is on the person or entity disclaiming control. O.A.C. 365:25-7-29(e) (1).

4. The Insurance Commissioner finds the Oklahoma statutory presumption of control is and will be rebutted in this circumstance if Davis Advisors:

- Is not under common management, and does not share any common officers or directors with Alleghany;
- Agrees not to vote, directly or indirectly, or by proxy, shares of Alleghany and/or the Domestic Surplus Lines Insurer in such a way as to attempt to change or influence the control of Alleghany and/or the Domestic Surplus Lines Insurer, or participate with others in any transaction or confederation having that purpose or effect;
- Agrees not to purchase the common stock of Alleghany and/or the Domestic Surplus Lines Insurer other than solely for investment purposes, and not to make purchases for the purposes of acquiring or seeking to acquire control over Alleghany and/or the Domestic Surplus Lines Insurer;

- Agrees not to use any direct or indirect means to cause the direction, or attempt to direct or cause the direction of the management policies of the Domestic Surplus Lines Insurer;
- Agrees not to propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or the Board of Directors of Alleghany and/or the Domestic Surplus Lines Insurer;
- Agrees not to seek or accept representation on the Board of Directors of Alleghany and/or the Domestic Surplus Lines Insurer.
- While Davis Advisors states it may obtain ownership of Alleghany shares up to 24.9% in the course of its business, Davis Advisors has through Voting Agreement with Alleghany limited its discretionary voting authority to 9.99% of Alleghany's shares. Davis Partners has stated in its papers that the Voting Agreement provides that Alleghany has a proxy to vote any Excess Shares Davis Advisors may hold in excess of 9.99% in a manner proportionate to the vote of other shareholders, thus legally insulating Davis Advisors from voting such Excess Shares.

ORDER

IT IS THEREFORE ORDERED that the instant request for disclaimer of affiliation by Davis Advisors with the Domestic Surplus Lines Insurer, and with the Domestic Surplus Lines Insurer's holding company, Alleghany, is allowed pursuant to Davis Advisor's meeting and continuing to observe the conditions described in the Findings of Fact and Conclusions of Law stated above.



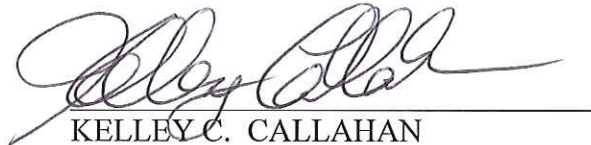
PAUL WILKENING
Deputy Insurance Commissioner of Administration
Oklahoma Insurance Department

CERTIFICATE OF MAILING

I, Kelley C. Callahan, hereby certify that a true and correct copy of the above and foregoing Order Consenting to Disclaimer of Interest was mailed postage prepaid with return receipt requested on this 21st day of February, 2012, to:

Andrew R. Holland
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, New York 10019-6092

and that a copy was delivered to the Oklahoma Insurance Department Financial and Examination Division.


KELLEY C. CALLAHAN

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Legal Division

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4. Restricted Delivery? (Extra Fee)

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