

**BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA**

In the matter of application of	)	
AMTRUST FINANCIAL SERVICES,	)	
INC., MICHAEL KARFUNKEL,	)	
GEORGE KARFUNKEL,	)	
BARRY ZYSKIND, and LEAH	)	<b>NOTICE</b> of Public Hearing
KARFUNKLE, TRUSTEE OF THE	)	(Iowa Code chapter 521A)
MICHAEL KARFUNKEL 2005	)	
GRANTOR RETAINED ANNUITY	)	
TRUST for plan to acquire control of	)	
DEVELOPERS SURETY AND	)	
INDEMNITY COMPANY	)	
	)	

Pursuant to the provisions of Iowa Code sections 521A.3(4)(a)(1)-(5) (2013), the Commissioner of Insurance for the State of Iowa will hold a public hearing regarding the application of AmTrust Financial Services, Inc., Michael Karfunkel, George Karfunkel, Barry Zyskind, and Leah Karfunkle, Trustee of the Michael Karfunkel 2005 Grantor Retained Annuity Trust (jointly referred to as “Applicants”) for acquisition of control of Developers Surety and Indemnity Company (“Developers”).

1. **Date and Time:** December 20, 2013 at 1:00 P.M.
2. **Location:** Conference Room 4 North, Insurance Division Office, Two Ruan Center, 601 Locust, 4<sup>th</sup> Floor, Des Moines, IA 50309.
3. **Nature of Hearing:** The hearing will be a public opportunity for the Applicants and any other interested party to present evidence and argument relevant to Applicants’ acquisition of control of Developers. Applicable rules of evidence are found at Iowa Code sections 17A.12-17 (2013).
4. **Legal Authority:** The hearing will be held pursuant to Iowa Code sections 521A.3(4)(a)(1)-(5) (2013). Procedures for the hearing are found at Iowa Code sections 17A.12-17 (2013).
5. **Issue Presented:** The hearing will be held for the purpose of determining whether Applicants’ acquisition of control through the purchase of all outstanding shares complies with the standards set forth in Iowa Code sections 521A.3(4)(a)(1)-(5) (2013):

*Approval by the commissioner - hearings.*

*a. The commissioner shall approve any merger or other acquisition of control referred to in subsection 1 if, after a public hearing on such merger or acquisition, the applicant has demonstrated to the commissioner all of the following:*

*(1) After the change of control the domestic insurer referred to in subsection 1 will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.*

*(2) The effect of the merger or other acquisition of control will not substantially lessen competition in insurance in this state.*

*(3) The financial condition of any acquiring party will not jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders.*

*(4) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are not unfair or unreasonable to policyholders of the insurer and are not contrary to the public interest.*

*(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are sufficient to indicate that the interests of policyholders of the insurer and of the public will not be jeopardized by the merger or other acquisition of control.*

- 6. Statutes and Rules Involved:** Iowa Code sections 17A and 521A (2013)
- 7. ADA Notice:** If, due to a disability, you require the assistance of auxiliary aids or services to participate in or attend this hearing, please call your district ADA coordinators immediately at (515) 286-3394. If you are hearing impaired, please call Relay Iowa TTY at (800) 735-2942. For additional assistance, you may also contact Matt Hargrafen at the Iowa Insurance Division, (515) 281-5706.

**IT IS HEREBY ORDERED**

DATED this 13<sup>th</sup> day of December, 2013.

\_\_\_\_\_/s/\_\_\_\_\_  
Nick Gerhart  
Commissioner of Insurance

Copies to:  
Barry Moses  
Stephen Ungar