

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER MEMORIAL INSURANCE
COMPANY OF AMERICA,
AN ARKANSAS DOMESTIC INSURER**

A.I.D. 2007- 060

ORDER

Now on this day, the matter of Memorial Insurance Company of America (“Company”), of Blytheville, Arkansas, NAIC #83798, an Arkansas domestic insurer authorized to transact life, accident and health insurance business, comes before Julie Benafield Bowman, Insurance Commissioner of the State of Arkansas (“Commissioner”). From the facts and matters before her, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. § 23-61-103, Ark. Code Ann. § 23-63-501, *et seq.*, and other provisions of the Arkansas Insurance Code.
2. The Company is an Arkansas domestic insurer authorized to transact life, accident and health insurance business in the State of Arkansas.
3. On December 9, 2005, a public hearing was conducted in accordance with the provisions of Ark. Code Ann. § 23-63-510 and other applicable law pursuant to a Form A Application filed by Southern Security Life Insurance Company (“SSL”) seeking to acquire control of the Company. On December 21, 2005, the Form A Application was approved by A.I.D. Order No. 2005-069. SSL is a Florida domiciled insurance company and a wholly owned subsidiary of Security National Life Insurance Company (“SNL”).
4. On December 12, 2005, SNL and SSL entered into an Agreement and Plan of Complete Liquidation of SSL into SNL. In connection with the Agreement and Plan of Complete

Liquidation, SSL transferred ownership of the Company to SNL on December 28, 2006. SNL is a Utah domiciled insurance company and a wholly owned subsidiary of Security National Financial Corporation (“SNFC”), a publicly held corporation.

5. On December 28, 2006, the ownership of the Company was transferred to SNL from SSL.

6. As a result of the transfer in ownership from SSL to SNL, the immediate parent of the Company is now SNL while the ultimate controlling party remains SNFC.

7. By correspondence dated August 24, 2007, the Company requested an exemption from the requirements of the Insurance Holding Company Regulatory Act, Ark. Code Ann. §§ 23-63-501, *et seq.* The exemption was requested pursuant to Ark. Code Ann. § 23-63-507(3)(A).

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact and the evidence before her, the Commissioner concludes as follows:

8. Pursuant to Ark. Code Ann. § 23-63-507, the provisions of Ark. Code Ann. §§ 23-63-506 through 23-63-513 shall not apply in certain circumstances. Specifically, that section provides that Ark. Code Ann. §§ 23-63-506 through 23-63-513 shall not apply to “[a]ny offer, request, invitation, agreement, or acquisition which the commissioner, by order, shall exempt therefrom as [n]ot having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer.” Ark. Code Ann. § 23-63-507(3)(A).

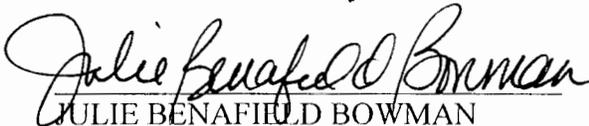
9. The December 28, 2006 transfer of direct ownership of the Company from SSL to SNL was not made or entered into for the purpose of changing or influencing the control of the Company, nor did the transfer of ownership of the Company have the effect of changing or

influencing the control of the Company. The Company's ultimate controlling party did not change as a result of the transfer of ownership of the Company and remains SNFC.

10. For the reasons stated herein, the Company's request for an exemption from the requirements of the Insurance Holding Company Regulatory Act, Ark. Code Ann. §§ 23-63-501, *et seq.*, is hereby granted pursuant to Ark. Code Ann. § 23-63-507(3)(A).

11. The Company is directed to provide written notice to the Arkansas Insurance Department and obtain the approval of the Commissioner prior to any future change in ownership of the Company.

IT IS SO ORDERED ON THIS 15th DAY OF OCTOBER, 2007.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS