

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

**IN THE MATTER ASHLEY LIFE
INSURANCE COMPANY,
AN ARKANSAS DOMESTIC INSURER**

A.I.D. 2008- 089

ORDER

Now on this day, the matter of Ashley Life Insurance Company ("Ashley"), NAIC #83917, 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"). The Arkansas Insurance Department ("Department") is represented by Associate Counsel, Amanda Capps Rose. 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 herein pursuant to Ark. Code Ann. §§ 23-61-103, 23-69-149, and other provisions of the Arkansas Insurance Code.
2. Ashley is an Arkansas domestic insurer authorized to transact life, accident and health insurance business in the State of Arkansas.
3. Ashley seeks the Commissioner's approval of a transaction with National Guardian Life Insurance Company ("NGL"), NAIC #66583, a mutual company domiciled in Wisconsin.
4. NGL is authorized to transact life, accident and health insurance business in the State of Arkansas. NGL is in good standing in its domiciliary state.

5. On November 21, 2008, representatives of Ashley and NGL met with members of the Department's Finance, Life and Health, and Legal Divisions regarding the parties' proposed transaction.

6. Ashley desires to dissolve and surrender its Arkansas Certificate of Authority following the proposed bulk assumption reinsurance agreement with NGL.

7. Ashley and NGL have entered into an Assumption Reinsurance Treaty with an effective date of October 1, 2008. The Assumption Reinsurance Treaty is attached hereto as Exhibit A and its contents are incorporated herein by reference.

8. Ashley is a wholly-owned subsidiary of Central American Life Insurance Company ("Central American"), a life insurance company domiciled in Louisiana. To effectuate the proposed assumption, NGL and Central American have entered into a Transition Support Agreement. The Transition Support Agreement is attached hereto as Exhibit B and its contents are incorporated herein by reference.

9. On November 24, 2008, Ashley submitted to the Department correspondence requesting approval of the Assumption Reinsurance Treaty and a waiver of the hearing required by Ark. Code Ann. § 23-69-149. The November 24, 2008 correspondence is attached hereto as Exhibit C and its contents are incorporated herein by reference.

10. On November 26, 2008, the Department's Life and Health Division approved the Assumption Certificate submitted by Ashley and NGL pursuant to Department Rule 55, § 6. The Assumption Certificate is attached hereto as Exhibit D and its contents are incorporated herein by reference.

11. On December 1, 2008, the Department received Ashley's request pursuant to Department Rule 55, § 4 requesting a waiver of any required hearing. The December 1, 2008 correspondence is attached hereto as Exhibit E and its contents are incorporated herein by reference.

12. Pursuant to the terms of the Assumption Reinsurance Treaty, NGL will reinsure each and every policy issued by Ashley prior to January 2, 2009 on an assumption reinsurance basis.

13. The Finance and Legal Divisions of the Department have reviewed the terms of the Assumption Reinsurance Treaty and Transition Support Agreement and find no reason to disapprove the proposed transaction.

14. The Department finds that approval of the Assumption Reinsurance Treaty is in the best interest of policyholders in this State due to the financial strength of NGL.

15. The Department further finds that sufficient cause exists to waive any hearing on this matter.

CONCLUSIONS OF LAW

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

16. The parties hereto have substantially complied with the requirements of Ark. Code Ann. § 23-69-149 and Department Rule 55.

17. The request for a waiver of any hearing requirement pursuant to Department Rule 55, § 4 is hereby granted.

18. The Assumption Reinsurance Treaty is satisfactory to the Department and is hereby approved.

19. The provisions for voluntary surrender of a Certificate of Authority are found in Ark. Code Ann. § 23-63-211, and the ninety (90) day notice requirement in Ark. Code Ann. § 23-63-211(e) is hereby waived. Ashley is directed to immediately provide the written notice required by Ark. Code Ann. § 23-63-211(e).

20. Ashley is directed to maintain minimum capital and surplus requirements and special deposit requirements under the Arkansas Insurance Code until such time as its Certificate of Authority is extinguished.

21. Ashley is further directed to follow the voluntary dissolution procedures in Ark. Code Ann. §§ 23-69-151, *et seq.* and make the requisite filings with the Department pursuant to those provisions.

IT IS SO ORDERED ON THIS 5th DAY OF DECEMBER, 2008.



JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS