

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

**IN THE MATTER CAPITOL LIFE AND ACCIDENT  
INSURANCE COMPANY, OUACHITA LIFE INSURANCE  
COMPANY, and UNION LIFE INSURANCE COMPANY,  
ARKANSAS DOMESTIC INSURERS**

A.I.D. 2011- 223

**ORDER**

Now on this day, the matter of Capitol Life and Accident Insurance Company, Ouachita Life Insurance Company, and Union Life Insurance Company (collectively “Companies”), Arkansas domestic insurers, comes before Jay Bradford, Insurance Commissioner of the State of Arkansas (“Commissioner”). From the facts and matters before him, 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 Companies are Arkansas domestic insurers authorized to transact insurance business in the State of Arkansas.
3. Southern Pioneer Life Insurance Company owns 100% of the issued and outstanding common stock of each of the Companies.
4. Southern Pioneer Life Insurance Company (“SPLIC”) is a directly wholly owned subsidiary of American Modern Life Insurance Company (“AMLIC”).
5. AMLIC is a directly wholly owned subsidiary of AMIG.

6. American Modern Insurance Group (“AMIG”) is the ultimate controlling person of the Companies, SPLIC, and AMLIC..

7. By correspondence dated November 2, 2011, American Modern Insurance Group notified the Department that Southern Pioneer Life Insurance Company will dividend its shares of Capitol Life and Accident Insurance Company, Ouachita Life Insurance Company, and Union Life Insurance Company to American Modern Life Insurance Company and AMLIC will in turn dividend the Companies’ shares to AMIG.

### **CONCLUSIONS OF LAW**

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

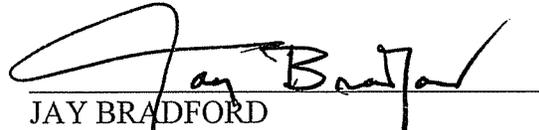
1. Pursuant to Ark. Code Ann. § 23-63-507, the provisions of Ark. Code Ann. §§ 23-63-506 through 23-63-513 shall not apply in certain circumstances. Specifically, that section provides that Ark. Code Ann. §§ 23-63-506 through 23-63-513 shall not apply to “[a]ny offer, request, invitation, agreement, 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).

2. The dividend of the Companies’ shares was not made or entered into for the purpose of changing or influencing the control of the Companies, nor have the Companies had any change in the ultimate controlling person.

3. For the reasons stated herein, the Companies are exempt from the filing requirements of Ark. Code Ann. §§ 23-63-506 through 23-63-513 solely for purposes of this transaction pursuant to Ark. Code Ann. § 23-63-507(3)(A).

4. The Companies are 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 Companies.

IT IS SO ORDERED ON THIS 8<sup>th</sup> DAY OF DECEMBER, 2011.



JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS