

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

**IN THE MATTER OF THE
ACQUISITION OF FIDELITY STANDARD
LIFE INSURANCE COMPANY**

A.I.D. No. 2013- 107

ORDER

On this day is presented the Petition of David G. Elmore (the "Petitioner") whereby the Petitioner, who is the direct owner of all of the issued and outstanding capital stock ("Stock") of Fidelity Standard Life Insurance Company ("Company"), would transfer the Stock to TEG, LLC, a Texas limited liability company ("TEG"), which is also wholly owned by the Petitioner. The matter is presented to State Insurance Commissioner Jay Bradford ("Commissioner") by Amanda Capps Rose, Associate Counsel of the Arkansas Insurance Department ("Department"), and Allan W. Horne, attorney for the Petitioner. From the documents of record with the Department, the documents filed with the Department by the Petitioner and other facts, matters and things before the Commissioner, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction of the parties and the subject matter involved herein.
2. The Company, NAIC No. 84018, is an Arkansas domiciled life and health insurance company with its principal place of business located in Brinkley, Arkansas.
3. The Petitioner is the owner of all of the outstanding capital stock of the Company and is the sole member/owner of TEG. Pursuant to an Order issued by the Insurance Commissioner of the State of Texas dated January 25, 2013, the Petitioner, through TEG, purchased all of the capital stock of Preferred Security Life Insurance Company, a Texas life

and health insurance company licensed and doing business solely in the State of Texas (“Preferred Security”). As a result of such acquisition, the Petitioner is the owner of two life and health insurance companies, Fidelity Standard Life Insurance Company, owned directly, and Preferred Security Life Insurance Company, owned indirectly.

4. The Petitioner proposes to transfer the Stock to TEG because it will be more convenient and desirable from a business perspective for the Company and Preferred Security to be owned directly by one entity. TEG will continue to be owned solely by the Petitioner.

5. Inasmuch as the Petitioner is the sole owner of all of the outstanding capital stock of the Company and is the sole member and owner of TEG, the proposed transfer of the Company’s Stock to TEG will not constitute a change of control of the Company.

CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact, the Commissioner concludes as follows:

1. The provisions of Ark. Code Ann. §§ 23-63-506 through 513, *inter alia*, require an administrative hearing prior to the acquisition of control of a domestic insurer.

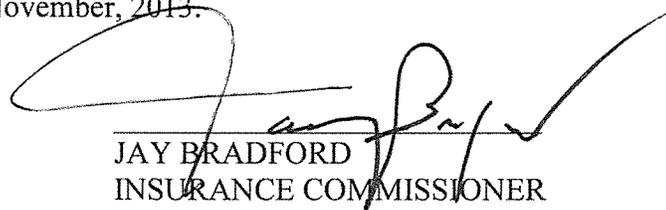
2. Pursuant to Ark. Code Ann. § 23-63-507, the provisions of Ark. Code Ann. §§ 23-63-506 through 513 do not apply to any “offer, request, invitation, agreement, or acquisition which the Commissioner, by order, shall exempt therefrom . . . as not having the effect of changing or influencing the control of a domestic insurer. . .”. Ark. Code Ann. § 23-63-507(3)(A).

3. The proposed acquisition of the Company by the Petitioner, as described in the Findings of Fact, will not effect a change of control of the Company; therefore, the proposed acquisition is not subject to the provisions of Ark. Code Ann. §§ 23-653-506 through 513.

4. An administrative hearing on the proposed acquisition is not required by law.

IT IS, THEREFORE, ORDERED that the proposed transfer of the ownership of Fidelity Standard Life Insurance Company by the Petitioner, as described in the foregoing Findings of Fact, does not constitute a change in control and such acquisition is, therefore, hereby approved.

IT IS SO ORDERED this 18th day of November, 2013.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS