

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

IN RE THE PROPOSED MERGER OF:
OZARK NATIONAL LIFE INSURANCE COMPANY
WITH AND INTO
SECURITY PLAN LIFE INSURANCE COMPANY

AID # 2009-

077

ORDER

The proposed merger (the "Merger") of Ozark National Life Insurance Company (the "Domestic Insurer") with and into Security Plan Life Insurance Company (the "Surviving Insurer") came before the Insurance Commissioner for the State of Arkansas, the Honorable Jay Bradford ("Commissioner").

After reviewing all of the information presented to the Department by the parties, the Commissioner hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Domestic Insurer is an Arkansas domestic insurer as defined in Ark. Code Ann. §23-60-102, with its principal office located in Austin, Texas.
2. The Surviving Insurer is a Louisiana domiciled insurer with its principal office located in Austin, Texas and it is the sole shareholder of the Domestic Insurer.
3. Citizens, Inc. ("Citizens") is the ultimate parent of the Domestic Insurer and the Surviving Insurer (collectively the Domestic Insurer and the Surviving Insurer are hereafter referred to as the "Merging Insurers"). Citizens' principal executive office is located in Austin, Texas.

4. On September 8, 2009, in a letter dated September 4, 2009 from Geoffrey M. Kolander, the Merging Insurers filed a request for approval of a Plan and Agreement of Merger ("the Plan") between the two insurers pursuant to Ark. Code Ann. §§ 23-69-142 to 148, together with exhibits (collectively, the "Merger Approval Request").
5. In addition to the item listed above, the Department requested and the Merging Insurers provided additional information supplementing the Merger Approval Request.
6. A hearing was not held regarding the Merger Request Approval since the merger would not effect the change in the ultimate controlling party pursuant to Ark. Code Ann. § 23-63-507.
7. The Merger, which is between a parent and a wholly-owned subsidiary, is being implemented as a measure to lower administrative costs and achieve greater corporate efficiency by eliminating duplicative administrative costs of the two entities.
8. The Plan between the Merging Insurers provides, effective October 1, 2009, that in consideration of mutual covenants and agreements in the Plan, the outstanding stock of the Domestic Insurer will be cancelled. All assets of the Domestic Insurer will be transferred to and vested in the Surviving Insurer. In turn, the Surviving Insurer will assume all liabilities and obligations of the Domestic Insurer including all outstanding insurance policies and annuity policies.

9. The Surviving Insurer does not anticipate that, following the proposed Merger, its business operations or the business operations of Citizens will change materially other than to eliminate duplicative administrative activities currently conducted by both of the Merging Insurers. The existing management of the Surviving insurer, which is virtually identical to that of the Domestic Insurer, will not change as a result of the Merger.
10. The Surviving Insurer has no plans to change the structure, operations or services currently provided to the policyholders of the Domestic insurer and, except for the name change, the policyholders should not perceive any changes as a result of the Merger.

CONCLUSIONS OF LAW

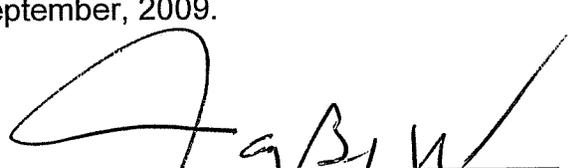
Based upon the foregoing Findings of Fact, and other matters, facts and things before the Commissioner, the Commissioner finds:

1. The Commissioner has jurisdiction over the subject matter and parties herein.
2. The merger is not inequitable to the Surviving Insurer which is the sole shareholder of the Domestic Insurer.
3. The Merger would not tend to substantially reduce the security of and the services to be rendered to the policyholders of the Domestic Insurer.
4. The Merger Approval Request as supplemented, is in compliance with and satisfies the requirements of Ark. Code Ann. §§23-69-142 to 148.

5. The Surviving Insurer has no plans or proposals to change its management which is the same management as the Domestic Insurer.
6. As presented, none of the preclusions to approval, listed in Ark. Code Ann. §23-69-142(c) exist, and the Merger should therefore be approved.

NOW THEREFORE, based on the foregoing Findings of Fact and Conclusions of Law, and being in all things duly advised, **IT IS THEREFORE ORDERED** that the proposed Merger of the Domestic Insurer with and into the Surviving Insurer, with the Surviving Insurer being the surviving entity, is hereby approved in all respects.

IT IS SO ORDERED, this 29 day of September, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS