

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

**IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF THE ACQUISITION OF
CONTROL OF SOUTHERN PIONEER LIFE
INSURANCE COMPANY BY MINNESOTA
LIFE INSURANCE COMPANY, SECURIAN
FINANCIAL GROUP, INC., SECURIAN HOLDING
COMPANY AND MINNESOTA MUTUAL COMPANIES, INC.**

A.I.D. NO. 2011- 254

ORDER

On December 1, 2011 at 1:00 p.m., in the Administrative Conference Room of the Arkansas Insurance Department (the "Department"), in accordance with the provisions of Ark. Code Ann. §§ 23-61-109, 23-61-303, 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code, a public hearing was held regarding the acquisition of control of Southern Pioneer Life Insurance Company ("SPLIC") by Minnesota Life Insurance Company, Securian Financial Group, Inc., Securian Holding Company, and Minnesota Mutual Companies, Inc. (collectively the "Applicants"). The Statement Regarding the Acquisition of Control of a Domestic Insurer (the "Acquisition Statement") was filed by the Applicants on or about September 7, 2011. The hearing was held before Chief Deputy Commissioner, Lenita Blasingame, Hearing Officer, as designated by the Insurance Commissioner for the State of Arkansas ("Commissioner"). The Department was represented by Ms. Amanda Capps Rose, Associate Counsel, and Ms. Brenda Haggard, Manager of Financial Analysis. Present on behalf of SPLIC and American Modern Insurance Group, Inc. was its counsel, Mr. T. Ark Monroe, III, of Mitchell, Williams, Selig, Gates and Woodyard PLLC. Representing the Applicants were Mr. Warren Zaccaro, Chief Financial Officer and Executive Vice President for each of the Applicants, Mr. Mark Geldernick, Assistant General Counsel of Securian Financial Group, Inc. and Mr. Yaakov Feingold of Dewey & LeBoeuf LLP.

FINDINGS OF FACT

From the Acquisition Statement, testimony of witnesses, and other evidence presented at the hearing, including exhibits filed in connection therewith, reports and statements on file with the Department, representations of counsel, and other matters and things considered, the Commissioner finds that:

1. SPLIC is an Arkansas domiciled life insurance company, NAIC No. 74365, and is a wholly-owned subsidiary of American Modern Life Insurance Company.

2. All persons attending the hearing were provided the opportunity to present evidence, examine witnesses, and/or offer argument or objection. Applicants presented evidence and argument through counsel and through the testimony of the representatives of the Applicants.

3. Representatives of the Applicants testified that, in their opinion:

- (a) The acquisition of SPLIC did not violate any law;
- (b) The acquisition of SPLIC was not inequitable to SPLIC's shareholders;
- (c) The acquisition of SPLIC did not substantially reduce the security of and service rendered to SPLIC's policyholder and the public;
- (d) After the change of control, SPLIC will be able to satisfy the requirements for the issuance of a license to write the line(s) of business for which it is presently licensed;
- (e) The effect of the acquisition will not substantially lessen competition in insurance in Arkansas or tend to create a monopoly in Arkansas;
- (f) The financial condition of the Applicants will not jeopardize the financial stability of the insurer or prejudice the interests of its policyholders or the interests of any remaining security holders who are affiliated with the Applicants;

(g) The terms of the acquisition are fair and reasonable to the security holders of SPLIC;

(h) Other than as set forth in the Acquisition Statement, there are no current plans or proposals which the Applicants have to liquidate SPLIC, sell its assets, or consolidate or merge it with any person, or make any other material change in its business or corporate structure or management that would be unreasonable or unfair to policyholders of SPLIC or against the public interest; and

(i) The competence, experience and integrity of those persons who would control the operation of SPLIC are such that it would be in the interest of policyholders of SPLIC and the public to permit the acquisition of control.

4. Minnesota Mutual Companies, Inc. is a Minnesota domestic mutual holding company and is the ultimate holding company of the Securian group of companies ("Securian Group"). Minnesota Mutual Companies, Inc. is the direct parent of Securian Holding Company, a Delaware corporation. Securian Financial Group, Inc., a Delaware corporation, is a 100% wholly-owned subsidiary of Securian Holding Company. Minnesota Life Insurance Company ("Minnesota Life") is a 100% wholly-owned subsidiary of Securian Financial Group, Inc.

5. The Applicants intend for SPLIC to become a party to the following three agreements, provided at Exhibits 13 to 15 to the Acquisition Statement, with entities in the Securian Group: (i) a tax allocation agreement, which provides for the sharing of income tax liabilities and refunds; (ii) a services agreement, which provides for the provision of general administrative and corporate services and (iii) an investment advisory agreement, which provides for the provision of investment advisory services by an institutional registered investment advisor.

6. No objections were made at the hearing or otherwise to the proposed acquisition of SPLIC by the Applicants.

CONCLUSIONS OF LAW

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

1. That the Commissioner has jurisdiction over the parties and the subject matter herein.
2. That the acquisition of control would not tend to adversely affect the contractual obligations of SPLIC or its ability to render service in the future to its policyholders and the public.
3. That the effect of the acquisition of control of SPLIC would not substantially lessen competition in any line of insurance business in any section of the State of Arkansas or tend to create a monopoly therein.
4. That the acquisition of control of SPLIC will not jeopardize the financial stability of SPLIC or prejudice the interests of its policyholders. Therefore, the acquisition should be approved.
5. That, other than as described in the Acquisition Statement, the Applicants have no plans or proposals to liquidate SPLIC, sell its assets or consolidate or merge its assets with any person, or to make any other material change in the business, corporate structure, or management of SPLIC.
6. That the plans or proposals of the Applicants with respect to SPLIC as set forth in the Acquisition Statement, and as presented at the hearing, are fair and reasonable to policyholders of SPLIC and in the public interest.
7. That the competence, experience, and integrity of those persons who would control the operations of SPLIC are such that the acquisition of control would not tend to

adversely affect the general capacity or intention of SPLIC to transact the business of insurance in a safe and prudent manner.

8. That the Acquisition Statement submitted by the Applicants is substantially complete.

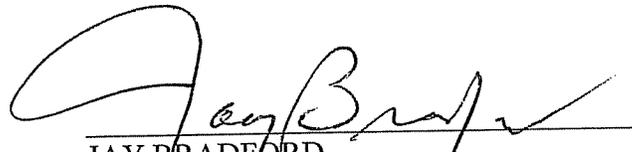
9. That the affiliate agreements provided at Exhibit 13 to 15 to the Acquisition Statement satisfy the requirements of Ark. Code Ann. § 23-63-515.

NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:

1. The acquisition of control of SPLIC by the Applicants, as described in the Acquisition Statement and exhibits thereto, is hereby APPROVED.

2. The affiliate agreements provided at Exhibits 13 to 15 to the Acquisition Statement are hereby APPROVED.

It is so ORDERED this 16th day of December, 2011.


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS