

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

**IN THE MATTER OF THE APPLICATION FOR
APPROVAL OF THE ACQUISITION OF CONTROL
OF AMERICAN LIFE AND ANNUITY COMPANY**

AID NO. 2022- 75

ORDER

A hearing was held at 2:00 p.m. on September 7, 2022, at the Arkansas Insurance Department in accordance with the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code, pursuant to a Statement Regarding the Acquisition of Control of American Life and Annuity Company (“ALAC”) by Funeral Directors Life Insurance Company (“Applicant”), which included a Stock Purchase Agreement. The hearing was held before Russ Galbraith, Chief Deputy Commissioner (“Hearing Officer”), pursuant to his appointment by Commissioner Alan McClain (“Commissioner”) in accordance with Ark. Code Ark. § 23-61-103(e). The Arkansas Insurance Department (“Department”) was represented by Amanda Capps Rose, Associate Counsel.

The Applicant was represented by Charles M. Walls of Chase & Walls, PLLC. The Applicant’s testimony was presented by Terry Groban, Executive Vice President and Chief Financial Officer of the Applicant.

FINDINGS OF FACT

From the Statement Regarding the Acquisition of Control of American Life and Annuity Company (“Statement”), related filings, testimony presented, and other evidence introduced at the hearing, including exhibits filed in connection with the Statement, reports and statements on file with the Department, and other matters and things considered, the Hearing Officer finds as follows:

1. The Statement and related documents were filed herein on May 27, 2022. All parties have consented to the holding of this hearing at this time and on this date.

2. The Applicant will acquire control of ALAC via a Stock Purchase Agreement dated as of May 24, 2022, and executed by the Applicant and the sellers of ALAC.

3. The witness speaking on behalf of the Applicant testified that, in her respective opinion:

(a) The acquisition will not adversely affect contractual obligations of ALAC to render service in the future to policyholders and the public;

(b) The effect of the acquisition will not substantially lessen competition in insurance in Arkansas or tend to create a monopoly in Arkansas;

(c) The financial condition of the Applicant will not jeopardize the financial stability of ALAC or prejudice the interest of its policyholders;

(d) The plans, proposals, operations, investment policies, corporate structure, and management will be fair and reasonable to the policyholders of ALAC and are in the public interest; and

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

CONCLUSIONS OF LAW


4. The parties agree that the Commissioner has jurisdiction of the parties and the subject matter under the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code.

5. All filings, hearings, and other procedures required by law or otherwise deemed appropriate by the Hearing Officer have been duly completed by the Applicant and the Department.

6. None of the conditions specified in Ark. Code Ann. § 23-63-510 as preclusions for the approval of the proposed acquisition exist.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends that the proposed acquisition of control of ALAC by the Applicant should be approved as provided in the Statement and related filings, and as described in this Order.


RUSS GALBRAITH,
CHIEF DEPUTY COMMISSIONER
AND HEARING OFFICER

CERTIFICATION

I, Alan McClain, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Russ Galbraith, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED, based upon the above and foregoing Findings of Fact, Conclusions of Law, and other matters, the Commissioner does hereby approve the proposed acquisition of American Life and Annuity Company, pursuant to and subject to the terms and conditions of the Statement and related filings and submissions, the Findings of Fact, and Conclusions of Law.

IT IS SO ORDERED THIS 9th DAY OF SEPTEMBER, 2022.


ALAN McCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS