

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

**IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF THE PROPOSED
PROPOSED ACQUISITION OR CHANGE IN
CONTROL OF OUACHITA LIFE INSURANCE
COMPANY, NAIC # 88820, BY APPLICANT,
THE INSURANCE GROUP, INC.**

A.I.D. NO. 2012- 642

ORDER

On June 18, 2012, at 11:00 a.m., in the Hearing 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 Ouachita Life Insurance Company ("Ouachita") by the Applicant, The Insurance Group, Inc. ("Applicant"). The Statement Regarding the Acquisition of Control of a Domestic Insurer (the "Acquisition Statement") was filed by the Applicant on or about April 30, 2012. The hearing was held before 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 the Applicant was Mr. John R. Bettis and the Applicant's legal counsel, Mr. Allan W. Horne of Dover Dixon Horne PLLC.

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. Ouachita is an Arkansas domiciled life and accident and health insurer, NAIC No. 88820.
2. All persons attending the hearing were provided the opportunity to present evidence, examine witnesses, and/or offer argument or objection. Applicant presented evidence and argument through counsel and through the testimony of a representative of the Applicant.
3. A representative of the Applicant testified that, in his opinion:
 - (a) The effect of the acquisition will not substantially lessen competition in insurance in Arkansas or tend to create a monopoly in Arkansas;
 - (b) The financial condition of the Applicant will not jeopardize the financial stability of the insurer;
 - (c) The terms of the acquisition are fair and reasonable and are in the public interest;
 - (d) The competence, experience and integrity of those persons who would control the operation of Ouachita are such that it would be in the interest the public to permit the acquisition of control.
4. The Applicant, The Insurance Group, Inc., is an Arkansas corporation physically located in Hot Springs, Arkansas.
5. No objections were made at the hearing or otherwise to the proposed acquisition of Ouachita by the Applicant.
6. A Services Agreement was entered into between the Applicant and Ouachita effective on August 9, 2012 for a period of five (5) years.
7. A Guaranty Agreement was executed on August 9, 2012, which provides that

Eldercare Insurance Services, Inc. will provide certain services and materials to Ouachita on behalf of the Applicant at no cost to the Applicant or Ouachita.

8. Applicant will contribute three hundred thousand dollars (\$300,000) in capital and surplus to Ouachita and intends to maintain that contribution until the commencement of Ouachita's operations.

CONCLUSIONS OF LAW

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

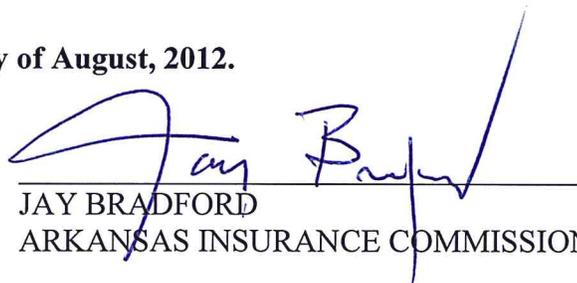
1. The Commissioner has jurisdiction over the parties and the subject matter herein.
2. The acquisition of control would not tend to adversely affect the contractual obligations of Ouachita or its ability to render service in the future to its policyholders and the public.
3. The effect of the acquisition of control of Ouachita 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. The acquisition of control of Ouachita will not jeopardize the financial stability of Ouachita.
5. Other than as described in the Acquisition Statement, the Applicant has no plans or proposals to liquidate Ouachita, sell its assets or consolidate or merger its assets with any person or entity.
6. The plans or proposals of the Applicants with respect to Ouachita as set forth in the Acquisition Statement, and as presented at the hearing, are fair and reasonable and in the public interest.

7. The competence, experience, and integrity of those persons who would control the operations of Ouachita are such that the acquisition of control would not tend to adversely affect the general capacity or intention of Ouachita to transact the business of insurance in a safe and prudent manner.
8. The Acquisition Statement submitted by the Applicants is substantially complete.

NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:

1. The acquisition of control of Ouachita by the Applicant, as described in the Acquisition Statement and exhibits thereto, is hereby APPROVED.
2. The August 9, 2012 Services Agreement and Guaranty Agreement shall not be revised, amended, revoked, terminated or otherwise modified without the prior written approval of the Commissioner.

It is so ORDERED this 10th day of August, 2012.



JAY BRADFORD
ARKANSAS INSURANCE COMMISSIONER