

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

**IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF THE PROPOSED
ACQUISITION OR CHANGE IN CONTROL
OF BROKERS NATIONAL LIFE ASSURANCE
COMPANY, NAIC # 74900, BY APPLICANTS
AURIGEN USA HOLDINGS INC. AND
AURIGEN CAPITAL LIMITED**

A.I.D. NO. 2013- 029

ORDER

On February 26, 2013 at 2:00 p.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 Brokers National Life Assurance Company ("BNLAC") by the Applicants, Aurigen USA Holdings Inc. and Aurigen Capital Limited ("Applicants"). The Statement Regarding the Acquisition of Control of a Domestic Insurer (the "Acquisition Statement") was filed by the Applicants on or about January 8, 2013 seeking approval of a Stock Purchase Agreement dated as of November 30, 2012, entered into by and among the Applicant, Aurigen USA Holdings Inc., Ameritas Life Insurance Corp., a Nebraska life insurance company and current immediate parent of BNLAC, and BNL Financial Corporation, the now dissolved former parent of BNLAC ("Agreement"). 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. Applicants were represented by their legal counsel, Mr. Doak Foster with Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. Also representing

the Applicants were Mr. Michael W. Pado, Chief Executive Officer of Aurigen USA Holdings Inc. and Executive Vice President of Aurigen Capital Limited, and Ms. Cheryl Rogers, Chief Financial Officer of Aurigen USA Holdings Inc.

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. The Acquisition Statement was filed herein on January 8, 2013. The Notice of Hearing was given as required by law, and the Applicants consented, in writing, to the holding of this hearing at this time and on this date.
2. The Commissioner has jurisdiction of the parties and the subject matter of this case under the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code.
3. BNLAC is an Arkansas domiciled insurance company, NAIC No. 74900, duly licensed and in good standing under the laws of the State of Arkansas and is a wholly owned subsidiary of Ameritas Life Insurance Corp.
4. All persons attending the hearing were provided the opportunity to present evidence, examine witnesses, and offer argument or objection. Applicants presented evidence and argument through counsel and through the testimony of the representative of the Applicants.
5. Mr. Pado, on behalf of the Applicants, testified that, in his opinion:
 - (a) The acquisition of BNLAC will not violate any law;

(b) The acquisition of BNLAC will be fair and equitable to the shareholders of Ameritas Life Insurance Corp. and BNLAC, as well any remaining security holders of BNLAC;

(c) The acquisition of BNLAC will not substantially reduce the security of and service to be rendered to BNLAC's policyholders and the public;

(d) After the change of control, BNLAC 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 BNLAC or prejudice the interest of its policyholders;

(g) Other than as set forth in the Acquisition Statement, and amendments thereto, there are no current plans or proposals which the Applicants have to liquidate BNLAC, 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 and such changes are reasonable and fair to policyholders of BNLAC and are in the public interest; and

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

6. Applicants' principal places of business are located at Two Bridge Avenue, Suite 111, Red Bank, New Jersey 07701 and Chancery Hall, 52 Reid Street, Top Floor, Hamilton HM MX, Bermuda.

7. Evidence presented indicated that the anticipated effective date for the closing of the acquisition of BNLAC is March 31, 2013.
8. No objections were made at the hearing or otherwise to the proposed acquisition of BNLAC.

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact and other matters, facts and things before the designated Hearing Officer, the Hearing Officer finds and concludes that the proposed acquisition will not violate applicable law, that none of the conditions specified in Ark. Code Ann. § 23-63-510 as preclusions for the approval of the Agreement exist, and that the proposed acquisition of control of BNLAC should be approved as provided in the Agreement, the Acquisition Statement and as described in this Order.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before the Hearing Officer, the Hearing Officer recommends:

1. The proposed acquisition of control of BNLAC, pursuant and subject to the terms and conditions of the Agreement and as described in the Acquisition Statement and these Findings of Facts and Conclusions of Law, should be approved in all respects;
2. That the customary third party background checks of the Directors and Executive Officers of the Applicants and the proposed Directors and Executive Officers of BNLAC (the "Individuals") will be promptly delivered to the Department for review. The Department may request additional information from any of the Individuals after the Department's receipt of the NAIC third party background

checks. Moreover, the Department may request additional information from any other persons identified by the Applicants in the Acquisition Statement as being associated with Applicants or will be associated with BNLAC (collectively the “Additional Persons”). Further, should the Department have any concerns with the information included within the third party background checks for the Individuals or any Additional Persons, or in any additional biographical information provided on behalf of such Individuals or Additional Persons in response to a request therefore, if any, by the Department, the Applicants and BNLAC agree to address the Department’s concerns in a prompt and reasonable manner.



Lenita Blasingame, Deputy Commissioner,
Hearing Officer

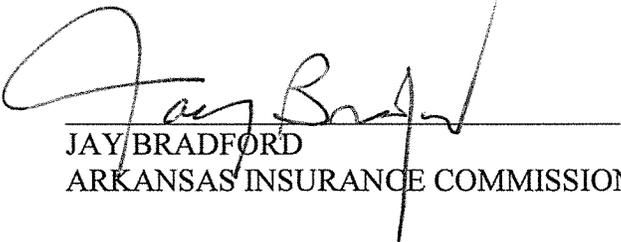
CERTIFICATION

I, Jay Bradford, 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 Lenita Blasingame, 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.

IT IS THEREFORE ORDERED, that the acquisition by the Applicants of Brokers National Life Assurance Company, in accordance with and pursuant to the terms of the Agreement and as further described in the Acquisition Statement and all exhibits and amendments thereto, is hereby APPROVED.

IT IS FURTHER ORDERED, that the customary third party background checks of Directors and Executive Officers of the Applicants and the proposed Directors and Executive Officers of Brokers National Life Assurance Company will be promptly delivered to the Department for review. The Department may request additional information from any of the Individuals after the Department's receipt of the third party background checks. The Department may request additional information from any other persons identified by the Applicants in the Acquisition Statement as being associated with the Applicants who will be associated with Brokers National Life Assurance Company. Further, should the Department have any concerns with the information included within the third party background checks for the Individuals or any Additional Persons, or any additional biographical information provided on behalf of such Individuals or Additional Persons in response to a request therefore by the Department, the Applicants and Brokers National Life Assurance Company agree to address the Department's concerns in a prompt and reasonable manner.

IT IS SO ORDERED this 1st day of March, 2013.



JAY BRADFORD
ARKANSAS INSURANCE COMMISSIONER