

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

**IN THE MATTER OF THE APPLICATION FOR
APPROVAL OF THE ACQUISITION OF CONTROL
OF AMERICAN HOME LIFE INSURANCE COMPANY**

AID NO. 2020- 53

ORDER

A hearing was held at 1:00 p.m. on September 30, 2020, 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 or Merger with American Home Life Insurance Company (“American Home”) by the Applicant, the Jeff and Leslie Smith Family Revocable Trust, dated August 7, 2020 (“Statement”), 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, and Mel Anderson, Deputy Commissioner for Financial Regulation.

The Applicant’s testimony was presented by Jeffrey Smith.

FINDINGS OF FACT

From the 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 August 13, 2020. The Notice of Hearing was given within the time and in the manner required by law, and the parties consented to the holding of this hearing at this time and on this date.

2. The Jeff and Leslie Smith Family Revocable Trust (“Applicant”) will purchase fifty-four thousand, six hundred sixty-three (54,663) shares of the stock of American Home from Anne Powell-Black, the majority stockholder. Upon the closing of that transaction, the Applicant will transfer the shares to Cyrus Works, LLC. Additionally, John Stephen Smith, a minority shareholder in American Home and Jeffrey Smith’s father, will gift one thousand, one hundred four (1,104) shares of his stock to Cyrus Works, LLC.

3. Cyrus Works, LLC is owned, in equal shares, by its two members Jeffrey and Leslie Smith. It was formed on March 27, 2020 as a holding company and currently owns one hundred percent (100%) of Cyrus Real Estate, LLC and will own a majority share of the stock of American Home upon the close of the proposed transaction.

4. Jeffrey Smith, on behalf of the Applicant, testified that, in his opinion:

(a) The acquisition will not adversely affect contractual obligations of American Home 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 American Home 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 American Home and are in the public interest;

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

(f) The officers and directors have not been subject to:

(i) Any conviction for a felony or misdemeanor, other than minor traffic violations, during the past twenty (20) years;

(ii) A misconduct order by a regulatory agency, a court of competent jurisdiction, or a finding of a violation of any insurance laws by a misconduct order of the Commissioner or of another state's commissioner;

(iii) An order by a regulatory agency or a court of competent jurisdiction finding that an unfair insurance trade practice or fraud had been committed; or

(iv) Having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, territory, or foreign or alien country.

CONCLUSIONS OF LAW

5. 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.

6. 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.

7. 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 American Home 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 Home Life Insurance 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 30th DAY OF SEPTEMBER, 2020.



ALAN McCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS