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DEPT OF INSURANCE  
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STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

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In the Matter of the )  
Acquisition of Control of )  
Arkansas Life Insurance Company )  
(NAIC No. 97551), )  
Insurer, )  
By )  
American Modern Life Insurance )  
Company (NAIC No. 65811) )  
Petitioner. )

Docket No. 06A-107-INS

ORDER APPROVING  
ACQUISITION

On June 12, 2006, American Modern Life Insurance Company ("Petitioner") submitted an application for the acquisition of control of Arkansas Life Insurance Company ("Insurer") with the Arizona Department of Insurance (the "Department") for approval of Petitioner as the controlling person of the Insurer pursuant to the provisions of A.R.S. §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

Based upon reliable evidence provided to the Director of Insurance ("Director") by the Assistant Director of the Financial Affairs Division of the Department, the Director makes the following Findings of Fact, Conclusions of Law and enters the following Order:

FINDINGS OF FACT

1  
2       1.     The Insurer is a domestic insurer as referred to in A.R.S. §20-481.

3       2.     The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and  
4 20-481.03, in the form required by A.A.C. R20-6-1402.

5       3.     The Insurer and its security holders waived the ten (10) day advance filing  
6 notice to be given as required by A.R.S. §20-481.07.

7       4.     No evidence has been produced that would indicate or form the basis for a  
8 finding that the Petitioner's acquisition of control of the Insurer:

9       a.     Is contrary to law;

10       b.    Is inequitable to the shareholders of any domestic insurer involved;

11       c.     Would substantially reduce the security of and service to be rendered to  
12 the policyholders of the domestic insurer in this State or elsewhere;

13       d.     After the change of control the domestic insurer, would not be able to  
14 satisfy the requirements for the reissuance of a Certificate of Authority to write the line  
15 or lines of insurance for which it is presently licensed;

16       e.     Would have the effect of substantially lessening competition in insurance  
17 in this state, or tend to create a monopoly;

18       f.     Might jeopardize the financial stability of the Insurer or prejudice the  
19 interest of its policyholders, based upon the financial condition of any acquiring party;

20       g.     Is unfair and unreasonable to policyholders of the Insurer and is not in the  
21 public interest, based upon the plans or proposals that the acquiring party has to  
22 liquidate the insurer, sell its assets or consolidate or merge it with any person, or to  
23 make any other material change in its business or corporate structure or management;

24       h.     Would not be in the public interest of policyholders of the Insurer and of  
25 the public to permit the merger or other acquisition of control based upon the

1 competence, experience and integrity of those persons who would control the operation  
2 of the Insurer; or

3 i. Would likely be hazardous or prejudicial to the insurance-buying public.

4 5. The interests of policyholders, shareholders or the public will be served by  
5 the publication of all information, documents and copies, relating to the Insurer and  
6 Petitioner, and obtained by or disclosed to the Director, or any other person in the  
7 course of a filing, an examination, or investigation made pursuant to A.R.S. §§20-  
8 481.03, 20-481.10 and 20-481.20.

9 CONCLUSIONS OF LAW

10 1. The application established that none of the enumerated grounds set forth  
11 in A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of  
12 Petitioner's acquisition of control of the Insurer.

13 2. Petitioner presented credible evidence for approval of its acquisition of  
14 control of the Insurer and the Petitioner to be a controlling person pursuant to the  
15 provisions of A.R.S. §§20-481 through 20-481.30, and A.A.C. R20-6-1402.

16 ORDER

17 THEREFORE, I, CHRISTINA URIAS, Director of Insurance of the State of  
18 Arizona, for the purpose of protecting and preserving the public health, safety and  
19 welfare, and by virtue of the authority vested in me by A.R.S. §§20-142, 20-481 through  
20 20-481.30, and A.A.C. R20-6-1402 hereby order that:

21 1. The acquisition of control of the Insurer by the Petitioner is approved.

22 2. All information, documents and copies relating to the Insurer and  
23 Petitioner obtained by or disclosed to the Director of Insurance of the State of Arizona,  
24 or any other person in the course of a filing, an examination or investigation made  
25 pursuant to A.R.S. §§20-481.03 and 20-481.20, shall not be given confidential

1 treatment, shall be subject to subpoena and shall be made public documents, subject to  
2 inspection, examination or copying by any person.

3 3. The Petitioner shall advise the Director in writing of the effective date of  
4 the change of control.

5 4. Upon consummation of this acquisition, the Petitioner shall file its  
6 registration statement in the form prescribed by A.R.S. §20-481.10 and within the time  
7 period prescribed by A.R.S. §20-481.13. If the registration statement would duplicate  
8 the information previously submitted by the Petitioner in the statement filed with the  
9 Department pursuant to A.R.S. §20-481.03 and there have been no material changes  
10 since the filing of that statement, then the Petitioner shall submit a statement to that  
11 effect incorporating by reference the statement previously filed with the Department in  
12 lieu of the registration statement;

13 5. The failure to adhere to one or more of the above terms and conditions  
14 shall result without further proceedings in the suspension or revocation of the Insurer's  
15 Certificate of Authority.

16 DATED this 13<sup>th</sup> day of July, 2006.

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19 *Lennie Marks Deputy Director*  
20 for CHRISTINA URIAS  
21 Director Of Insurance  
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1 COPY of the foregoing mailed  
2 this 14th day of July, 2006,

3 Gerrie Marks, Deputy Director  
4 Mary Butterfield, Assistant Director  
5 Catherine O'Neil, Consumer Legal Affairs Officer  
6 Steven Ferguson, Assistant Director  
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Linda Light