

JAN 25 2012

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY CB

1 In the Matter of the Merger of)
 2)
 3 **First Reinsurance, Inc.**)
 4 **(NAIC No. 60241)**)
 5)
 6 **Insurer,**)
 7 Into)
 8)
 9 **Banc Life Insurance Corporation**)
 10 **(NAIC No. 97250),**)
 11)
 12 **Petitioner.**)

Docket No. 12A-008-INS

ORDER APPROVING MERGER

10 On December 28, 2011, pursuant to A.R.S. § 20-731, Banc Life Insurance Corporation
 11 ("Petitioner") submitted an application to the Arizona Department of Insurance ("Department")
 12 for the merger of First Reinsurance, Inc. ("Insurer") with and into Petitioner.

13 Based upon reliable evidence provided to the Director of Insurance by the Assistant
 14 Director of the Financial Affairs Division of the Department, the Director finds as follows:

FINDINGS OF FACT

16 1. Insurer is duly qualified and authorized as a life and disability reinsurer in the
 17 State of Arizona.

18 2. Petitioner is duly qualified and authorized as a life and disability reinsurer in the
 19 State of Arizona.

20 3. No evidence has been produced that would indicate or form the basis for a
 21 finding that the Plan and Agreement of Merger previously filed with the Department:

22 a. Is contrary to law;

23 b. Is unfair in the terms and conditions of the exchange of securities;

1 c. Would substantially reduce the security of and service rendered to the
2 policyholders of the Insurer in this State or elsewhere.

3 4. Insurer has a \$100.00 deposit with the Insurance Examiners' Revolving Fund
4 ("IERF").

5 5. The Department holds a \$100,000 statutory deposit on behalf of the Insurer.

6 6. Petitioner has prepared Articles of Merger it intends to file with the Arizona
7 Corporation Commission ("ACC").

8 CONCLUSIONS OF LAW

9 1. The application established that none of the enumerated grounds set forth in
10 A.R.S. § 20-731 exist so as to provide a basis for disapproval or rejection of the Plan and
11 Agreement of Merger.

12 2. The evidence established that Petitioner has complied with the provisions of
13 A.R.S. § 20-731 and established by credible evidence that the Plan and Agreement of Merger
14 between Insurer and Petitioner should be approved.

15 ORDER

16 1. The Plan and Agreement of Merger between Insurer and Petitioner is approved.

17 2. Petitioner may file its Articles of Merger with the ACC.

18 3. Insurer shall file its 2012 Annual Statement including applicable fees with the
19 Department unless Petitioner files its Articles of Merger with the ACC on or before December
20 31, 2012.

21 4. Insurer shall pay its Certificate of Authority renewal fee to the Department and
22 file its 2011 Annual Form "B" Registration Statement with the Department unless Petitioner
23 files its Articles of Merger with the ACC on or before March 31, 2012.

