

STATE OF ARIZONA

DEC 19 2014

DEPARTMENT OF INSURANCE DEPT OF INSURANCE
BY ms

1 In the Matter of the Acquisition of Control of)
 2)
 3 **Old United Life Insurance Company**)
 4 **(NAIC No. 76007)**)
 5)
 6 **Insurer,**)
 7)
 8 **By**)
 9 **Berkshire Hathaway Inc., National Indemnity**)
 10 **Company, and VT Insurance Acquisition Sub Inc.**)
 11 **Petitioner.**)

Docket No. 14A-131-INS

**ORDER APPROVING
ACQUISITION**

11 On December 3, 2014, Berkshire Hathaway Inc., National Indemnity Company, and VT
 12 Insurance Acquisition Sub Inc. ("Petitioner") submitted an application for the acquisition of
 13 control of Old United Life Insurance Company ("Insurer") to the Arizona Department of
 14 Insurance (the "Department") for approval of Petitioner as the controlling person of the Insurer
 15 pursuant to the provisions of A.R.S. §§20-481 through 20-481.32 and A.A.C. R20-6-1402.

16 Based upon reliable evidence provided to the Director of Insurance ("Director") by the
 17 Assistant Director of the Financial Affairs Division of the Department, the Director finds as
 18 follows:

FINDINGS OF FACT

- 19
- 20 1. The Insurer is a domestic insurer as referred to in A.R.S. §20-481.
 - 21 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-
 22 481.03, in the form required by A.A.C. R20-6-1402.
- 23

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

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

5 a. Is contrary to law;

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

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

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

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

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

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

20 h. Would not be in the public interest of policyholders of the Insurer and of the
21 public to permit the merger or other acquisition of control based upon the competence,
22 experience and integrity of those persons who would control the operation of the Insurer; or

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

1 ORDER

2 THEREFORE, I, GERMAINE L. MARKS, Director of Insurance of the State of Arizona,
3 for the purpose of protecting and preserving the public health, safety and welfare, and by
4 virtue of the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.32, and A.A.C.
5 R20-6-1402 hereby order that :

6 1. The acquisition of control of the Insurer by the Petitioner is approved, subject to
7 the following express condition:

8 If the completed fingerprint cards furnished to the Department of Insurance reveal that
9 Petitioner's officers or directors have been charged with or convicted of a felony or
10 misdemeanor other than minor traffic violations, the individual(s) shall be removed as an
11 officer and/or director of the Petitioner within 30 days after notice to Petitioner by the
12 Department and shall be replaced with an officer or director acceptable to the Director. If
13 Petitioner fails to take the prescribed action within 30 days, this failure will constitute an
14 immediate danger to the public and the Director may immediately suspend or revoke Insurer's
15 Certificate of Authority without further proceedings.

16 2. Subject to A.R.S. §20-481.21(A), all documents, materials and other information
17 that is in the possession or control of the Department and that was obtained by or disclosed to
18 the Director or any other person in the course of filing the application is confidential and
19 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

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

22 4. Upon consummation of this acquisition, the Insurer shall file its registration
23 statement in the form required by A.A.C. R20-6-1403(B) and within the time period prescribed

1 by A.R.S. §20-481.13. If the registration statement would duplicate the information previously
2 submitted by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-
3 481.03 and there have been no material changes since the filing of that statement, then the
4 Insurer shall submit a statement to that effect incorporating by reference the statement
5 previously filed with the Department in lieu of the registration statement;

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

9 Effective this 19th day of December, 2014.

10 

11 GERMAINE L. MARKS
12 **Director of Insurance**

13 COPY of the foregoing mailed/delivered
14 this 19th day of December, 2014, to:

15 Nancy F. Peters, Assistant Vice President
16 National Indemnity Company
3024 Harney Street
Omaha, Nebraska 68131

17 Germaine L. Marks, Director of Insurance
18 Mary Kosinski, Executive Assistant for Regulatory Affairs
19 Yvonne Hunter, Assistant Director
Kurt A. Regner, CFE, Assistant Director
Catherine O'Neil, Consumer Legal Affairs Officer
20 Stephen D. Clutter, Public Information Officer
21 Arizona Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018

22 