

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

OCT 26 2012

INSURANCE COMMISSIONER
OKLAHOMA

IN RE: Form A: No Change in Control Reorganization)
of a Control Person of Domestic Insurers)
LIFESHIELD NATIONAL INSURANCE CO.)
AND HOMESHIELD FIRE & CASUALTY)
INSURANCE CO.)

Case No. 12-0736-TRN

ORDER GRANTING NO CHANGE IN CONTROL FORM A

The State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, having reviewed the captioned request for exemption pursuant to 36 O.S. § 1653(F) involving Oklahoma domestic insurers LifeShield National Insurance Co. ("LifeShield") and its wholly owned subsidiary, Homeshield Fire & Casualty Insurance Co.. ("Homeshield"), finds and orders as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. More particularly, the Insurance Commissioner has jurisdiction of domestic Form A requests for exemption under 36 O.S. § 1653(E) of the Oklahoma Insurance Holding Company Act, which authorizes the Insurance Commissioner to waive the hearing and approval process of an acquisition where the Insurance Commissioner finds that the transaction should be exempted because it is not made or entered into for the purpose and does not have the effect of changing or influencing the control of a domestic insurer, or otherwise is not encompassed within the purposes of 36 O.S. § 1653(E). This proxy is part of the Form A Application.

3. LifeShield is an insurer domiciled in the State of Oklahoma and authorized to transact life, accident and health insurance business under Certificate of Authority Number 3910 (NAIC CoCode 99724).

4. Homeshield is an insurer domiciled in the State of Oklahoma and authorized to transact property, casualty, marine, vehicle and surety insurance business under Certificate of Authority Number 3907 (NAIC CoCode 10338).

FINDINGS OF FACT

1. On August 6, 2012, a Form A Statement Regarding the Acquisition of Control of both LifeShield and Homeshield was submitted to the Oklahoma Insurance Department ("the Department").

2. LifeShield and Homeshield are part of an insurance holding company system containing several intermediate holding companies. Homeshield Capital Co. is the holding company immediately above LifeShield and Homeshield in this holding company system. Presently, there are two controlling entities in this holding company system. The first is HCC Holdings, LLC ("HCC Holdings") which owns 51.69% of intermediate holding company Homeshield Capital Co. Second, 48.31% of Homeshield Capital Co. is owned by various members of the Records Family and their respective Trusts. This second entity is a collection of the same members of the Records Family and their respective Trusts making up HCC Holdings, the other owner of Homeshield Capital Co. as described above in this paragraph. The Records Family and their trusts of this second owner-entity gave a voting proxy covering their interests to George J. Records, the Ultimate Control Person of the holding company system, for shares of their Homeshield Capital Co. stock held as of December 14, 2007.

3. This "No Change of Control" Form A is filed pursuant to a reorganization plan for control entity HCC Holdings. Pending and subject to approval from the Oklahoma Insurance Commissioner's Office, HCC Holdings will be liquidated and the lower tier insurance holding company shares now held by HCC Holdings -- including Homeshield Capital Co., LifeShield and Homeshield -- will be distributed proportionately to the same members of the Records Family and their respective Trusts that now make up the ownership of HCC Holdings. The net result of the reorganization is that Homeshield Capital Co. shares currently owned indirectly by the Records Family trust members through HCC Holdings will now be owned directly by those members. The members of the Records Family and their respective trusts will each separately assign their respective share holdings of Homeshield Capital Co. to George J. Records subject to the previously mentioned and aforesaid Appointment of Proxy dated December 14, 2007, submitted as part of this No Change in Control Form A. The Applicant has provided executed copies of these Assignments and they are made a part of the Form A Application and incorporated therein.

4. The liquidation of HCC Holdings will result in a technical change of control of LifeShield and Homeshield, but will not have any affect on the business operations, management, net worth or financial status of these domestic companies.

CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction of Form A requests for exemption under 36 O.S. § 1653(E) of the Oklahoma Insurance Holding Company Act which authorizes the Insurance Commissioner to waive the hearing and approval process of an acquisition where the Insurance Commissioner finds that the transaction should be exempted because it is not made or entered into for the purpose and does not have the effect of changing or influencing the

control of a domestic insurer or otherwise is not comprehended within the purposes of 36 O. S. § 1653(E).

2. The Insurance Commissioner further finds and makes a conclusion of law that, based on the information and the documentation presented and filed with the Insurance Commissioner, the transaction as described and outlined in the Form A submission and the Findings of Fact above is not made or entered into for the purpose and does not have the result of changing or influencing control of LifeShield or Homeshield.

ORDER

IT IS THEREFORE ORDERED that, based on the foregoing, the statement and request for an exemption pursuant to 36 O.S. § 1653(E) as described in Applicant's No Change in Control Form A filings and documents presented **IS HEREBY APPROVED** without hearing.

WITNESS My Hand and Official Seal this 25th day of October, 2012.





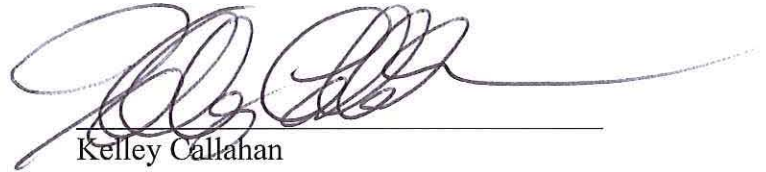
PAUL WILKENING
Chief Deputy Insurance Commissioner
Oklahoma Insurance Department

CERTIFICATE OF MAILING

I, Kelley C. Callahan, hereby certify that a true and correct copy of the above foregoing Order Granting No Change in Control Form A was mailed postage prepaid with return receipt requested on this 26th day of October, 2012 to:

J. Angela Ables
Kerr, Irvine, Rhodes & Ables
201 Robert S. Kerr Ave, Suite 600
Oklahoma City, Oklahoma

And that a copy was delivered to the Oklahoma Insurance Department Financial and Examination Division.

A handwritten signature in cursive script, appearing to read 'Kelley Callahan', written over a horizontal line.

Kelley Callahan
Senior Attorney

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