

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED
JUN 04 2014
INSURANCE COMMISSIONER
OKLAHOMA

In Re: Redomestication of INDIVIDUAL ASSURANCE)
COMPANY, LIFE, HEALTH & ACCIDENT)
a Missouri corporation to the State of Oklahoma) Case No. 13-1062-TRN
)

ORDER

On the 4th day of June, 2014, the above matter came on for review by the Oklahoma Insurance Commissioner. The Applicant, Individual Assurance Company, Life, Health & Accident, (hereinafter "IAC" or "Applicant") was represented by J. Angela Ables of the law firm of Kerr, Irvine, Rhodes and Ables, and the Oklahoma Insurance Commissioner was represented by Julie Meaders, Deputy General Counsel, Oklahoma Insurance Commissioner's Office. Judge John D. Miller was appointed by the Insurance Commissioner for the purpose of acting as Hearing Officer and making all determinations pertinent to the redomestication of IAC to the State of Oklahoma. John McCarter, Chief Financial Analyst, appeared and testified on behalf of the Financial Division of the Oklahoma Insurance Department and Diane Carter, Financial Analyst, also was present at the Hearing on behalf of the Oklahoma Insurance Department. James L. Harlin, Chairman, President and CEO of IAC appeared and testified on behalf of the Applicant.

The Hearing Officer, having reviewed the Form R (Redomestication) Application and all documentation relating thereto, received evidence and being fully advised in the premises, finds as follows:

JURISDICTION

1. That the Oklahoma Insurance Commissioner has jurisdiction of this cause pursuant to the provisions of the Oklahoma Insurance Code, 36 O.S. Section 101 et seq. and the Administrative Procedures Act, 75 O.S. Section 250 et seq.

FINDINGS OF FACT

1. That the subject Hearing was held pursuant to the Administrative Procedures Act, 75 O.S. Section 250 et seq., 36 O.S. Section 101 et seq. and specifically 36 O.S. § 606.1.

2. That the proceeding was commenced with the filing of a Form R Redomestication Statement by IAC, requesting the change of domestication from the State of Missouri to the State of Oklahoma on the 18th of October, 2013, supplemented by an Amended Form R on April 2, 2014 by Applicant herein and the issuing of a Notice of the subject Hearing on May 30, 2014 by the Oklahoma Insurance Commissioner to Applicant.

3. That the Notice of Hearing included the date, time and place of the Hearing and that said Notice notified Applicant of the appointment of Judge John D. Miller as the Hearing Examiner appointed by the Oklahoma Insurance Commissioner for the purpose of making all determinations pertinent to the filing.

4. That the Hearing was, pursuant to statute, recorded electronically and a verbatim transcript was taken by a Certified Shorthand Reporter, requested by the Applicant herein.

5. That the Applicant and the Commissioner's staff attended and participated in the Hearing, gave sworn testimony, produced documents and both Parties, at the conclusion of the Hearing, stated that they had nothing further to submit.

6. That said Form R and Exhibits detailed the identity and background of IAC, the identity and background of individuals associated with IAC, the future plans of the insurer, the regulatory history of the Applicant, the examination status of the insurer, its rates and reserves and financial statements.

7. That the Applicant is a life, accident and health insurer licensed to do business in forty-three (43) states, including the State of Oklahoma, with a statutory home office of 2400 W. 75th Street, Suite 201, Prairie Village, Kansas 66208 and a new Oklahoma office which shall become the home office at 3200 E. Memorial Road, Edmond, Oklahoma 73013, post-redomestication.

8. That IAC is presently licensed to do business in the State of Oklahoma as a foreign insurer.

9. That the ultimate corporate parent of IAC consists of three individuals, David A. Dillon, Donald G. Kane II, and James L. Harlin, who are the only persons or entities with the power to vote as much as ten percent (10%) of the outstanding voting stock of IAC according to the Form R filing and testimony at the Hearing..

10. That the immediate corporate parent of IACC is IAC Group, Inc.

11. That pursuant to Biographical Affidavits filed by the Applicant, none of the officers or directors of Applicant or of its ultimate or immediate corporate parent, have been convicted of a felony or been the subject of a disciplinary proceeding.

12. That the financial statements of Applicant herein reflected capital and surplus as follows for the past five years:

2013: \$7.5 million
2012: \$4.8 million
2011: \$15.7 million
2010: \$10.3 million
2009: \$12.1 million

13. That the financial statements of the ultimate controlling persons of IAC Group, reflected substantial net worth as reflected on the individuals' financial statements.

14. That Applicant's future plans for IAC will be to become a TPA centered insurer with limited selected insurance risk. The insurer plans to transfer the insurer's credit insurance and debt cancellation business to a third party insurer and they will additionally reduce their insurance underwriting risk exposure and dispose of real estate on favorable terms for the insurer. They plan to engage in writing Medicare Supplement and life insurance with strong reinsurance to maintain a low risk profile in the insurer.

15. That information regarding the methodologies utilized by the insurer post redomestication in establishing its insurance rates and reserves was filed with the Oklahoma Insurance Commissioner's office with the Form R, including the names and certifications of the insurer's outside actuarial consultants.

CONCLUSIONS OF LAW

1. That these proceedings were commenced pursuant to the Administrative Procedures Act, 75 O.S. § 250 et seq. and pursuant to the Commissioner's statutory authority set forth at 36 O.S. § 101 et seq.

2. That the Oklahoma Insurance Commissioner has jurisdiction of this matter pursuant to 36 O.S. § 606.1 and OAC 365:25-7-10 et seq.

3. That the Applicant was given lawful service of the Notice of Hearing and did appear and participate in said Hearing.

4. That the Hearing Examiner was properly and legally appointed to hear the matter and make all determinations pertinent thereto.

5. That the Applicant requested a full stenographic record of the proceeding and same was designated by the Hearing Examiner as the official record of the Hearing.

6. That the Parties were given full opportunity to present their case, conduct the Hearing and present witnesses and documents.

7. That based upon a preponderance of the evidence presented at the Hearing, Applicant IAC has complied with the provisions of the statutes, specifically 36 O.S. § 606.1 relating to the change of domestication of insurers from another state to the State of Oklahoma.

8. That based upon a preponderance of the evidence submitted at the Hearing, the Hearing Officer finds that no evidence was submitted that, after the proposed change of domestication to the State of Oklahoma, Applicant would not be able to satisfy the requirements

for the issuance of a license to write the line or lines of insurance for which it is presently licensed.

9. That no evidence was submitted that the redomestication of IAC to the State of Oklahoma would substantially lessen competition or tend to create a monopoly in the State of Oklahoma.

10. That no evidence was submitted that the financial condition of Applicant or its parent is such as to jeopardize the interests of present or future policyholders of the Applicant herein.

11. That the future plans of Applicant post redomestication appear fair and reasonable based upon the documentation filed with the Insurance Commissioner and submitted at the Hearing.

12. That Applicant's future plans appear to be fair and reasonable and in the public interest based upon the information presented to the Insurance Department.

13. That no evidence was submitted that the competence, experience and integrity of the persons who control Applicant is such that the interests of the public or present or future policy-holders of IAC will be affected adversely by the redomestication to the state of Oklahoma.

ORDER


THEREFORE, no criteria for disapproval specified in 36 O.S. Section 606.1 or OAC 365:25-7-11 et seq. having been found, **IT IS HEREBY ORDERED** that the application of

Individual Assurance Company, Life, Health & Accident to redomesticate in the State of Oklahoma is hereby **APPROVED** as of the date of the Hearing first set forth hereinabove.


WITNESS MY HAND and official seal this 4th day of June, 2014.

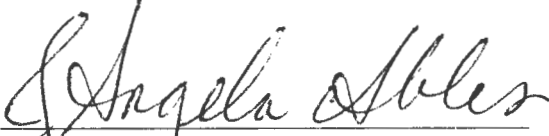


**JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA**

By: 
**Judge John D. Miller
Hearing Examiner**

APPROVED AS TO FORM:



Julie Meaders, Esq.
Deputy General Counsel
Oklahoma Insurance Commissioner's Office


J. Angela Ables, Esq.
Kent, Irvine, Rhodes and Ables
Attorney for Applicant

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the foregoing Order was hand delivered on the 4th day of June, 2014, to the following:

J. Angela Ables
Attorney for Applicant
Kerr, Irvine, Rhodes and Ables
201 Robert S. Kerr, Suite 600
Oklahoma City, Oklahoma 73102



Julie Meaders, Esq.
Deputy General Counsel