

BEFORE THE INSURANCE COMMISSIONER AND THE ATTORNEY GENERAL OF  
THE STATE OF IOWA

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In re the application of CALHOUN	)	<b>FINDING OF FACT, CONCLUSIONS OF LAW, AND ORDER</b> (Iowa Code § 521.8)
MUTUAL INSURANCE ASSOCIATION	)	
for approval of a Plan of Merger	)	
with FARMERS MUTUAL INSURANCE	)	
ASSOCIATION OF ROSELLE	)	

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**I. INTRODUCTION**

Pursuant to Iowa Code sections 521.5 and 521.8 (2013), on February 28, 2013 the undersigned Commission heard an application for approval of a Plan of Merger between CALHOUN MUTUAL INSURANCE ASSOCIATION (“Calhoun Mutual”) of Lake City, Iowa, an Iowa domiciled county mutual insurance association and FARMERS MUTUAL INSURANCE ASSOCIATION OF ROSELLE (“Farmers Mutual Roselle”) of Carroll, Iowa, an Iowa domiciled county mutual insurance association.

The Commission reviewed the Plan of Merger to be effective March 1, 2013. If the Plan of Merger is approved, Calhoun Mutual will merge with and into Farmers Mutual Roselle. Upon completion of the merger, Farmers Mutual Roselle will be the surviving corporation and Calhoun Mutual will cease to exist.

The Commission notes that Calhoun Mutual and Farmers Mutual Roselle are licensed with the Iowa Insurance Division (“Division”), and have current financial statements on file with the Division.

**II. JURISDICTION**

The Commission has jurisdiction over this proceeding under Iowa Code sections 521.2, 521.3, 521.4, 521.5, and 521.8 (2013).

**III. FINDINGS OF FACT**

Iowa Code section 521.8 (2013) permits the Commission to approve the proposed Plan of Merger if it is satisfied that the interests of the affected policyholders are properly protected and no reasonable objection to the Plan of Merger exists.

The Plan of Merger provides that Calhoun Mutual will merge with and into Farmers Mutual Roselle as of March 1, 2013. The merged entity will continue to do business as Farmers Mutual Roselle. All policies issued by Calhoun Mutual which are outstanding on the effective date of the Plan of Merger will be assumed by Farmers Mutual Roselle. Farmers Mutual Roselle will, post-merger, possess the combined assets, liabilities and obligations held by Calhoun Mutual and Farmers Mutual Roselle prior to the merger. Upon completion of the Plan of Merger, Farmers Mutual Roselle will be the surviving corporation and Calhoun Mutual will be merged into it, thereby ceasing to exist.

The Commission finds that the interests of Calhoun Mutual's and Farmers Mutual Roselle's policyholders are properly protected under the Plan of Merger. The Commission further finds that no reasonable objection for approval of the Plan of Merger exists.

#### IV. CONCLUSIONS OF LAW

The legislature has vested discretion in the Commission not only to make factual findings, but also to interpret and apply the law. Iowa Code sections 521.3 and 521.8 permit the Commission to approve a Plan of Merger if it determines that the applicant demonstrates the two criteria listed within section 521.8 to the satisfaction of the Commission.

The Commission concludes, upon substantial evidence, that the Plan of Merger Calhoun Mutual and Farmers Mutual Roselle meet the two requirements of Iowa Code section 521.8, and should be approved.

#### ORDER

**IT IS THEREFORE ORDERED** that:

Calhoun Mutual Insurance Association's application for approval of its Plan of Merger with Farmers Mutual Insurance Association of Roselle is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2013). Any action challenging this Order shall comply with the requirements of Iowa Code chapter 17A.

Any application for rehearing shall comply with the requirements of Iowa Code chapter 17A.

Dated this 28<sup>th</sup> day of February, 2013.

NICK GERHART  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General

\_\_\_\_\_/s/\_\_\_\_\_  
By: JAMES N. ARMSTRONG  
Deputy Commissioner of Insurance

\_\_\_\_\_/s/\_\_\_\_\_  
By: JEANIE KUNKLE VAUDT  
Assistant Attorney General

Copy to:

Kent Forney  
Bradshaw, Fowler, Proctor & Fairgrave, P.C.  
801 Grand Avenue  
Suite 3700  
Des Moines, IA 50309-4191

Thomas Brinks  
Farmers Mutual Insurance Association of Roselle  
1424 Highway 71 North  
Carroll, IA 51401

Matt Hargrafen  
LOCAL