

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

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In re the application of DANISH	)	
MUTUAL INSURANCE ASSOCIATION	)	FINDING OF FACT,
for approval of a Plan of Merger	)	CONCLUSIONS OF LAW,
with RINGGOLD MUTUAL INSURANCE	)	AND ORDER
ASSOCIATION	)	(Iowa Code section 521.8)
	)	

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I. INTRODUCTION

Pursuant to Iowa Code sections 521.5 and 521.8 (2013), on July 8<sup>th</sup>, 2013 the undersigned Commission heard an application for approval of a Plan of Merger between DANISH MUTUAL INSURANCE ASSOCIATION ("Danish Mutual") of Elk Horn, Iowa, an Iowa domiciled state mutual insurance association and RINGGOLD MUTUAL INSURANCE ASSOCIATION ("Ringgold Mutual") of Mount Ayr, Iowa, an Iowa domiciled county mutual insurance association.

The Commission reviewed the Plan of Merger to be effective on the later of July 1, 2013 or the date the Commission approves the Plan of Merger. If the Plan of Merger is approved, Ringgold Mutual will merge with and into Danish Mutual. Upon completion of the merger, Danish Mutual will be the surviving corporation and Ringgold Mutual will cease to exist.

The Commission notes that Ringgold Mutual and Danish Mutual 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 Ringgold Mutual will merge with and into Danish Mutual on the later of July 1, 2013 or the date the Commission approves the Articles of Merger. The merged entity will continue to do business as Danish Mutual. All policies issued by Ringgold Mutual which are outstanding on the effective date of the Plan of Merger will be assumed by Danish Mutual. Danish Mutual will, post-merger, possess the combined assets, liabilities and obligations held by Ringgold Mutual and Danish Mutual prior to the merger. Upon completion of the Plan of Merger, Danish Mutual will be the surviving corporation and Ringgold Mutual will be merged into it, thereby ceasing to exist.

The Commission finds that the interests of Ringgold Mutual's and Danish Mutual'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 between Ringgold Mutual and Danish Mutual meet the two requirements of Iowa Code section 521.8, and should be approved.

#### ORDER

IT IS THEREFORE ORDERED that:

Danish Mutual Insurance Association's application for approval of its Plan of Merger with Ringgold Mutual Insurance Association 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 8<sup>th</sup> day of July, 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

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Des Moines, IA 50309-4191

Ringgold Mutual Insurance Association  
Attn: Robert Erickson, President  
100 East Madison  
Box 427  
Mount Ayr, IA 50854

Matt Hargrafen  
LOCAL

ARTICLES OF MERGER  
OF  
DANISH MUTUAL INSURANCE ASSOCIATION  
AND  
RINGGOLD MUTUAL INSURANCE ASSOCIATION

To the Secretary of State of the State of Iowa:

Pursuant to Section 521.2 *et seq.*, Code of Iowa (2013) the following corporations adopt the following Articles of Merger and file the same pursuant to Section 521.17, Code of Iowa (2013).

1. Attached hereto and incorporated herein is the Plan of Merger whereby Ringgold Mutual Insurance Association ("RMI") is merged into Danish Mutual Insurance Association ("DMI"), which will be the survivor.
2. That each of the constituent corporations was created under Chapter 491, Code of Iowa (2013). DMI is organized under and licensed pursuant to Chapter 518A, Code of Iowa (2013), and RMI is organized and licensed under Chapter 518, Code of Iowa (2013).
3. That the Boards of Directors of each of the constituent corporations have approved the Articles of Merger and the Plan of Merger.
4. That the members of RMI, at a meeting called upon not less than thirty (30) days notice, approved the Plan of Merger by more than the affirmative vote of two-thirds of the policyholder members present and voting.

5. That DMI (i) being the survivor; (ii) having a greater number of policyholder members than RMI; and (iii) having a greater surplus than RMI, meets the conditions of Section 521.10, Code of Iowa (2013), and therefore was not required to obtain the approval of its policyholder members.

6. The Articles of Incorporation and By-Laws of DMI in effect on the date of the merger shall continue to be the Articles of Incorporation and By-Laws of the survivor.

7. The merger shall become effective on July 1, 2013, or upon approval by the Commission, whichever last occurs.

Dated June 13, 2013.

DANISH MUTUAL INSURANCE  
ASSOCIATION

By Tom Cannon  
Tom Cannon, President

RINGGOLD MUTUAL  
INSURANCE ASSOCIATION

By Collus Lawhead  
Collus Lawhead, President

ATTEST

Duane Probst  
Secretary

ATTEST

Robert R. Shapiro  
Secretary

COMMISSION CERTIFICATE OF APPROVAL

Pursuant to the relevant provisions of the Iowa Code, the undersigned approves the Articles of Merger of Danish Mutual Insurance Association and Ringgold Mutual Insurance Association (Effective July 1, 2013 or when approved by the Iowa Insurance Division, whichever last occurs).

NICK GERHART  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General

                  /s/                    
By: James N. Armstrong  
Deputy Insurance Commissioner  
Date: 7/8/13

                  /s/                    
By: Jeanie Kunkle Vaudt  
Assistant Attorney General  
Date: 7/8/13

PLAN OF MERGER  
BETWEEN  
DANISH MUTUAL INSURANCE ASSOCIATION  
AND  
RINGGOLD MUTUAL INSURANCE ASSOCIATION

WHEREAS, Danish Mutual Insurance Association ("DMI") was created pursuant to Chapter 491, Code of Iowa (2013) and is organized under and licensed pursuant to Chapter 518A, Code of Iowa (2013); and

WHEREAS, Ringgold Mutual Insurance Association ("RMI") was created pursuant to Chapter 491, Code of Iowa (2013), and is organized under and licensed pursuant to Chapter 518, Code of Iowa (2013); and

WHEREAS, DMI and RMI wish to merge pursuant to the provisions and authority of Chapter 521, Code of Iowa (2013), with DMI being the survivor; and

WHEREAS, the Boards of Directors of DMI and RMI and the policyholder members of RMI have each, separately, approved the following Plan of Merger in the manner required by and in compliance with the terms of Chapter 521, Code of Iowa (2013);

IT IS THEREFORE AGREED as follows:

1. That upon completion of the merger, DMI will be the surviving corporation and that RMI will be merged into it, thereby ceasing to exist.
2. That the Articles of Incorporation and By-Laws of DMI, as they exist on the effective date of the merger, shall be the Articles and By-Laws of the survivor, DMI.

3. That the Board of Directors of DMI, on the effective date of the merger, shall constitute the Board of Directors of the survivor.
4. That the officers of DMI, on the effective date of the merger, will be the officers of the survivor.
5. That all interests in personal property of RMI, whether by ownership or by lease, will be transferred or assigned to DMI.
6. That all other assets, including but not limited to securities, investments and bank accounts owned by RMI, shall be transferred or registered in the name of DMI.
7. That all liabilities of RMI, known or unknown, as they exist on the effective date of the merger, shall be assumed by and become the liabilities of DMI.
8. That any and all reinsurance contracts whereby RMI cedes or assumes reinsurance will be transferred to and the rights and liabilities thereunder will be assumed by DMI upon the effective date of the merger.
9. That the insurance agents of RMI will be offered agent contracts by DMI on terms to be mutually agreed upon.
10. That all policies of insurance issued by RMI that are in effect on the effective date of the merger shall be assumed by DMI, including all rights and liabilities thereunder and DMI shall issue Assumption Certificates to all policyholder members of RMI evidencing the assumption.
11. The officers and directors of DMI and RMI have not received any inducements to secure their support or approval of the merger.
12. That the effective date of the merger shall be the later of (i) July 1, 2013, or (ii) the date the Commission approves the Articles of Merger.



DATED this 13th day of June, 2013.

DANISH MUTUAL INSURANCE  
ASSOCIATION

RINGGOLD MUTUAL INSURANCE  
ASSOCIATION

By Tom Cannon  
Tom Cannon, President

By Clay Lawhead  
Clay Lawhead, President