

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

In re the application of MEMBERS)	
MUTUAL INSURANCE ASSOCIATION)	
f/k/a BUENA VISTA MUTUAL)	FINDING OF FACT,
INSURANCE ASSOCIATION)	CONCLUSIONS OF LAW,
for approval of a Plan of Merger)	AND ORDER
with IDA MUTUAL INSURANCE)	(Iowa Code section 521.8)
ASSOCIATION)	
)	

I. INTRODUCTION

Pursuant to Iowa Code sections 521.5 and 521.8 (2013), on March 31, 2014 the undersigned Commission heard an application for approval of a Plan of Merger between MEMBERS MUTUAL INSURANCE ASSOCIATION (“Members Mutual”)¹ of Storm Lake, Iowa, an Iowa domiciled state mutual insurance association and IDA MUTUAL INSURANCE ASSOCIATION (“Ida Mutual”) of Ida Grove, Iowa, an Iowa domiciled county mutual insurance association. The Commission notes that Members Mutual and Ida Mutual are licensed with the Iowa Insurance Division (“Division”), and have current financial statements on file with the Division.

The Commission reviewed the Plan of Merger to be effective on the later of April 1, 2014 or the date the Commission approves the Plan of Merger. If the Plan of Merger is approved, Ida Mutual will merge with and into Members Mutual. Upon completion of the merger, Members Mutual will be the surviving corporation and Ida Mutual will cease to exist.

¹ On March 31, 2014, the Division approved Buena Vista Mutual Insurance Association’s conversion to a state mutual insurance association organized under Iowa Code chapter 518A and a name change to Members Mutual Insurance Association with both transactions being effective on the later of April 1, 2014 or the date the Commission approves the Plan of Merger.

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.

Under the Plan of Merger, the separate existence of Ida Mutual will cease and it will merge with and into Members Mutual, with Members Mutual being the surviving entity.

The Plan of Merger provides that Ida Mutual will merge with and into Members Mutual on the later of April 1, 2014 or the date the Commission approves the Plan of Merger. All policies issued by Ida Mutual which are outstanding on the effective date of the Plan of Merger will be assumed by Members Mutual. Members Mutual will, post-merger, possess the combined assets, liabilities and obligations held by Members Mutual and Ida Mutual prior to the merger.

The Commission finds that the interests of Member Mutual's and Ida 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 Members Mutual and Ida Mutual meets the two requirements of Iowa Code section 521.8, and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

Members Mutual Insurance Association's application for approval of its Plan of Merger with Ida 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 31st day of March, 2014.

NICK GERHART
Iowa Insurance Commissioner

THOMAS J. MILLER
Iowa Attorney General

_____/s/_____
JAMES N. ARMSTRONG
Deputy Commissioner of Insurance

_____/s/_____
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