

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

In re the application of FARMERS MUTUAL HAIL INSURANCE COMPANY OF IOWA, an Iowa corporation, for approval of a Plan of Merger with FMH INSURANCE COMPANY COMPANY, an Iowa corporation)	FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER (Iowa Code chapter 521)
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Now therefore, the Commissioner of Insurance and the Iowa Attorney General (collectively the "Commission"), being fully advised in the premises, issue the following findings of fact, conclusions of law and order:

I. INTRODUCTION

Pursuant to Iowa Code sections 521.5 and 521.8 (2015), on September 29, 2015, the undersigned Commission heard an application for approval of a Plan of Merger between FARMERS MUTUAL HAIL INSURANCE COMPANY OF IOWA ("FMH"), an Iowa corporation, and FMH INSURANCE COMPANY ("FMHIC"), an Iowa corporation.

The Commission reviewed the Plan of Merger to be effective September 15, 2015 or the date the Commission approves the Plan of Merger. If the Plan of Merger is approved, FMHIC will merge with and into FMH. Upon completion of the merger, FMH will be the surviving corporation and FMHIC will cease to exist.

The Commission notes that FMH and FMHIC are licensed and in good standing 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 (2015).

III. FINDINGS OF FACT

Iowa Code section 521.8 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 FMHIC will merge with and into FMH on the later of September 15, 2015 or the date the Commission approves the Articles of Merger. The boards of directors of FMH and FMHIC have approved and adopted the Plan of Merger dated August 25, 2015. As FMHIC is a wholly owned subsidiary of FMH, and it has no other shareholders or any policyholders, no shareholder meeting or notice is necessary. If the Plan of Merger is approved, FMHIC will merge with and into FMH. Upon completion of the Plan of Merger, FMH will be the surviving corporation and FMHIC will be merged into it, thereby ceasing to exist.

All property, all debts due on whatever account and every other interest shall be taken and deemed to be transferred to and vested in FMH. FMH will, post-merger, possess the combined assets, liabilities and obligations held by FMHIC and FMH prior to the merger.

Under this record, the commission finds that the interests of FMH'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 FMHIC and FMH meets the two requirements of Iowa Code section 521.8, and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

Farmers Mutual Hail Insurance Company of Iowa's application for approval of its Plan of Merger with FMH Insurance Company is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2015). 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 30th day of September, 2015.

NICK GERHART
Iowa Insurance Commissioner

THOMAS J. MILLER
Iowa Attorney General

/s/

/s/

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