

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

In re the application of WEST SIDE MUTUAL)	FINDINGS OF FACT,
INSURANCE ASSOCIATION for Approval)	CONCLUSIONS OF LAW,
of a Plan of Merger with JOHNSON COUNTY)	AND ORDER
MUTUAL INSURANCE ASSOCIATION)	(Iowa Code chapter 521)

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 (2017), on June 21, 2017, the undersigned Commission heard an application for approval of a Plan of Merger between WEST SIDE MUTUAL INSURANCE ASSOCIATION (“West Side Mutual”)¹ of Palo, Iowa, an Iowa domiciled state mutual insurance association with JOHNSON COUNTY MUTUAL INSURANCE ASSOCIATION (“Johnson County Mutual”) of Iowa City, Iowa, an Iowa domiciled county mutual insurance association.

The Commission reviewed the Plan of Merger to be effective the later of July 1, 2017 or the date the Commission approves the Plan of Merger. If the Plan of Merger is approved, Johnson County Mutual will merge with and into West Side Mutual. Upon completion of the merger, West Side Mutual will be the surviving corporation and Johnson County Mutual will cease to exist.

The Commission notes that West Side Mutual and Johnson County Mutual 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 (2017).

¹ On June 21, 2017, the Division approved West Side Mutual Insurance Association’s conversion to a state mutual insurance association organized under Iowa Code chapter 518A with the transaction being effective on the later of July 1, 2017 or the date the Commission approves the Plan of Merger.

III. FINDINGS OF FACT

Iowa Code section 521.8 (2017) 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 Johnson County Mutual will merge with and into West Side Mutual the later of July 1, 2017 or the date the Commission approves the Plan of Merger. The merged entity will continue to do business as West Side Mutual. All policies issued by Johnson County Mutual which are outstanding on the effective date of the Plan of Merger will be assumed by West Side Mutual. West Side Mutual will, post-merger, possess the combined assets, liabilities and obligations held by Johnson County Mutual and West Side Mutual prior to the merger. Upon completion of the Plan of Merger, West Side Mutual will be the surviving corporation and Johnson County Mutual will be merged into West Side Mutual, thereby ceasing to exist.

Under this record, the Commission finds that the interests of Johnson County Mutual and West Side 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 among Johnson County Mutual and West Side Mutual meets the two requirements of Iowa Code section 521.8, and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

West Side Mutual's application for approval of its Plan of Merger with Johnson County Mutual is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2017). 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 21st day of June, 2017.

DOUG OMMEN
Iowa Insurance Commissioner

/s/

By: JAMES N. ARMSTRONG
Deputy Commissioner of Insurance

THOMAS J. MILLER
Iowa Attorney General

/s/

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