

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

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In re the application of ALLIANCE MUTUAL )	FINDINGS OF FACT,
INSURANCE ASSOCIATION f/k/a FARMERS )	CONCLUSIONS OF LAW,
MUTUAL INSURANCE ASSOCIATION OF )	AND ORDER
GARNAVILLO for approval of a Plan of )	
Merger with DELAWARE COUNTY MUTUAL )	
INSURANCE ASSOCIATION and DUBUQUE )	(Iowa Code chapter 521)
COUNTY MUTUAL INSURANCE )	
ASSOCIATION )	

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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 June 17, 2016, the undersigned Commission heard an application for approval of a Plan of Merger among ALLIANCE MUTUAL INSURANCE ASSOCIATION (“Alliance Mutual”)<sup>1</sup> of Dyersville, Iowa, an Iowa domiciled state mutual insurance association with DELAWARE COUNTY MUTUAL INSURANCE ASSOCIATION (“Delaware Mutual”) of Manchester, Iowa, an Iowa domiciled county mutual insurance association and DUBUQUE COUNTY MUTUAL INSURANCE ASSOCIATION (“Dubuque Mutual”) of Farley, Iowa, an Iowa domiciled county mutual insurance association.

The Commission reviewed the Plan of Merger to be effective the later of July 1, 2016 or the date the Commission approves the Plan of Merger. If the Plan of Merger is approved, Delaware Mutual and Dubuque Mutual will merge with and into Alliance Mutual. Upon completion of the merger, Alliance Mutual will be the surviving corporation and Delaware Mutual and Dubuque Mutual will cease to exist.

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<sup>1</sup> On June 17, 2016, the Division approved Farmers Mutual Insurance Association of Garnavillo’s conversion to a state mutual insurance association organized under Iowa Code chapter 518A and a name change to Alliance Mutual Insurance Association with both transactions being effective on the later of July 1, 2016 or the date the Commission approves the Plan of Merger. On January 21, 2016, the Division approved the construction of a new home office building for Alliance Mutual Insurance Association to be located in Dyersville, Iowa.

The Commission notes that Alliance Mutual, Delaware Mutual and Dubuque 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 (2015).

## **III. FINDINGS OF FACT**

Iowa Code section 521.8 (2015) 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 Delaware Mutual and Dubuque Mutual will merge with and into Alliance Mutual the later of July 1, 2016 or the date the Commission approves the Plan of Merger. The merged entity will continue to do business as Alliance Mutual. All policies issued by Delaware Mutual and Dubuque Mutual which are outstanding on the effective date of the Plan of Merger will be assumed by Alliance Mutual. Alliance Mutual will, post-merger, possess the combined assets, liabilities and obligations held by Delaware Mutual, Dubuque Mutual and Alliance Mutual prior to the merger. Upon completion of the Plan of Merger, Alliance Mutual will be the surviving corporation and Delaware Mutual and Dubuque Mutual will be merged into Alliance Mutual, thereby ceasing to exist.

Under this record, the Commission finds that the interests of Delaware Mutual, Dubuque Mutual and Alliance 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 Delaware Mutual, Dubuque Mutual and Alliance Mutual meets the two requirements of Iowa Code section 521.8, and should be approved.

**ORDER**

**IT IS THEREFORE ORDERED** that:

Alliance Mutual's application for approval of its Plan of Merger with Delaware Mutual and Dubuque Mutual 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 17th day of June, 2016.

NICK GERHART  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General

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