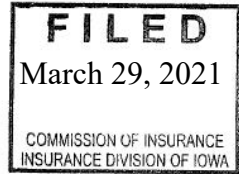


**BEFORE THE INSURANCE COMMISSIONER AND THE ATTORNEY  
GENERAL OF THE STATE OF IOWA**



In the matter of the application of	)	
GUIDEONE SPECIALTY MUTUAL	)	<b>FINDINGS OF FACT,</b>
INSURANCE COMPANY for approval of an	)	<b>CONCLUSIONS OF LAW,</b>
Agreement and Plan of Reorganization with and	)	<b>AND ORDER</b>
into GUIDEONE MUTUAL HOLDING	)	(Iowa Code chapter 521)
COMPANY	)	

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<sup>1</sup> sections 521.5, 521.8, and 521A.14(2)(a), on February 17, 2021, the undersigned Commission heard an application for approval of an Agreement and Plan of Reorganization between GuideOne Specialty Mutual Insurance Company, a domestic mutual insurance company organized under Iowa Code chapter 515 (“GuideOne Specialty”), GuideOne Mutual Insurance Company, a domestic mutual insurance company organized under Iowa Code chapter 515 (“GuideOne Mutual”), and GuideOne Mutual Holding Company, a domestic mutual insurance holding company to be organized under Iowa Code chapter 491 in connection with the reorganization of GuideOne Mutual under Iowa Code section 521A.14(1)(a) (“GuideOne Holdco,” and together with GuideOne Specialty and GuideOne Mutual, the “Applicants”).

The Commission reviewed the Agreement and Plan of Reorganization, which the Applicants anticipate will have an effective date of March 31, 2021 or such later date if approved by the Commission. If the Agreement and Plan of Reorganization is approved, GuideOne Specialty will reorganize under Iowa Code section 521A.14(2) and merge into GuideOne Holdco by converting into a stock insurance company under Iowa Code chapter 490 to be named GuideOne Specialty Insurance Company (“GuideOne Specialty Stock”) and issuing shares of GuideOne Specialty Stock to GuideOne Holdco. GuideOne Holdco will then transfer all shares of GuideOne Specialty Stock to its wholly owned subsidiary, GuideOne Insurance Group, Inc., a domestic intermediate stock holding company (“GuideOne Group”). As a result of the proposed reorganization and merger, GuideOne Holdco will indirectly own all of the outstanding shares of GuideOne Specialty Stock through its ownership of GuideOne Group.

The Commission notes that GuideOne Specialty and GuideOne Mutual are affiliated insurance companies. The Commission further notes that both GuideOne Specialty and GuideOne Mutual are licensed and in good standing with the Iowa Insurance Division (the “Division”) and have current financial statements on file with the Division.

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<sup>1</sup> All references to the Iowa Code herein are to the Code of 2021.

## II. JURISDICTION

The Commission has jurisdiction over this proceeding under Iowa Code sections 521.2, 521.3, 521.4, 521.5, 521.8, and 521A.14(2)(a).

## III. FINDINGS OF FACT

Iowa Code section 521A.14(2)(a) provides that the merger of policyholders' membership interests in a domestic mutual insurance company into a mutual insurance holding company shall be deemed to be a merger of insurance companies pursuant to Iowa Code chapter 521, and as such Iowa Code chapter 521 is applicable to a reorganization and merger under Iowa Code section 521A.14(2)(a).<sup>2</sup>

Iowa Code section 521.8 permits the Commission to approve the proposed Agreement and Plan of Reorganization if it is satisfied that (1) the interests of the affected policyholders are properly protected and (2) no reasonable objection to the Agreement and Plan of Reorganization exists.

The Agreement and Plan of Reorganization provides that, on the effective date, GuideOne Specialty will reorganize and merge its policyholders' membership interests into GuideOne Holdco by converting into a stock insurance company that will become an indirect subsidiary of GuideOne Holdco. GuideOne Specialty will continue to do business as GuideOne Specialty Stock. All policies issued by GuideOne Specialty which are outstanding on the effective date of the Agreement and Plan of Reorganization will continue as obligations and liabilities of GuideOne Specialty Stock. All assets of GuideOne Specialty will continue as assets of GuideOne Specialty Stock. All policyholder members of GuideOne Specialty on the effective date of the Agreement and Plan of Reorganization will become members of GuideOne Holdco. GuideOne Holdco will, post-reorganization and merger, be the indirect parent company of both GuideOne Specialty Stock and GuideOne Insurance Company, the domestic stock insurance company resulting from the conversion of GuideOne Mutual in its own immediately preceding reorganization ("GuideOne Stock"). GuideOne Holdco will be owned by the policyholders of GuideOne Specialty Stock and GuideOne Stock. The Applicants have represented to the Commission that they anticipate the effective date of the Agreement and Plan of Reorganization will be March 31, 2021.

The Commission particularly takes notice that the proposed Agreement and Plan of Reorganization was also reviewed by the Commissioner of Insurance (the "Commissioner") as part of the Applicants' Limited Application for approval of the proposed reorganization and merger under Iowa Code section 521A.14(2)(a) (the "Limited Application"). Iowa Code section 521A.14(2)(a) requires the Commissioner to consider whether (a) the interests of the policyholders will be properly protected in the reorganization and merger and (b) the merger is fair and equitable to the policyholders. In its separate Findings of Fact, Conclusions of Law, and Order regarding the Limited Application (the "Limited Application Order"), the Commissioner first found that the policyholder interests will be properly protected and unimpaired following the reorganization and merger. The Commissioner then found that the reorganization and merger is fair and equitable to the policyholders, noting that from a policyholder perspective, the

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<sup>2</sup> The Applicants separately submitted a Limited Application for the Commissioner of Insurance's approval of the Agreement and Plan of Reorganization under Iowa Code section 521A.14(2)(a).

proposal would do nothing more than create a different organizational structure within which GuideOne Specialty operates.

The findings of fact in the Limited Application Order, based on similar statutory requirements to those at issue here, are directly applicable to the Commission's findings. Under this record, the Commission finds that the interests of both GuideOne Specialty's policyholders and GuideOne Mutual's policyholders are properly protected under the Agreement and Plan of Reorganization. The Commission further finds that no reasonable objection for approval of the Agreement and Plan of Reorganization 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 521A.14(2)(a), 521.3, and 521.8 permit the Commission to approve a plan of reorganization and merger if it determines that the applicants have demonstrated the two criteria listed within section 521.8 to the satisfaction of the Commission.

The Commission concludes, upon substantial evidence, that the Agreement and Plan of Reorganization between GuideOne Specialty, GuideOne Mutual, and GuideOne Holdco meets the two requirements of Iowa Code section 521.8 and should be approved.

#### ORDER

**IT IS THEREFORE ORDERED** that:

The application for approval of the Agreement and Plan of Reorganization between GuideOne Specialty, GuideOne Mutual, and GuideOne Holdco is APPROVED.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A. Any action challenging the 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 29th day of March, 2021.

DOUG OMMEN  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General



/s/ Jordan Esbrook

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