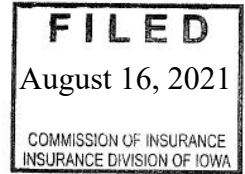


**BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA**



In the matter of the application for )  
acquisition of control of CENTURION LIFE )  
INSURANCE COMPANY by BESTOW INC., )  
O'BANION CAPITAL LLC, MELBOURNE )  
O'BANION III, ABELMANN LAND & )  
CATTLE LLC, TEMPUS FUGIT LLC, )  
TEMPUS FUGIT TRUST, JONATHAN )  
WILLIAM ABELMANN, VALAR GLOBAL )  
FUND IV LP, VALAR GLOBAL )  
PRINCIPALS FUND IV LP, VALAR FUND V )  
LP, VALAR PRINCIPALS FUND V LP, )  
VALAR VELOCITY FUND 2 LP, VALAR )  
VENTURES GP IV LLC, VALAR GP V LLC, )  
VALAR VELOCITY GP 2 LLC, JAMES )  
FITZGERALD, and ANDREW MCCORMACK)

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW,  
AND ORDER**  
(Iowa Code chapter 521A)

**I. INTRODUCTION**

Bestow Inc., a Delaware corporation ("Bestow"), O'Banion Capital LLC, a Texas limited liability company ("O'Banion Capital"), Melbourne O'Banion III (collectively with O'Banion Capital, the "O'Banion Applicants"), Abelman Land & Cattle LLC, a Texas limited liability company ("Abelman Land & Cattle"), Tempus Fugit LLC, a Nevada limited liability company ("Tempus Fugit"), Tempus Fugit Trust, a Texas living trust ("TF Trust," and collectively with Abelman Land & Cattle and Tempus Fugit, the "Abelman Entities"), Jonathan William Abelman (collectively with the Abelman Entities, the "Abelman Applicants"), Valar Global Fund IV LP, a Delaware limited partnership ("Valar Global IV"), Valar Global Principals Fund IV LP, a Delaware limited partnership ("Valar Global PF IV"), Valar Fund V LP, a Delaware limited partnership ("Valar Fund V"), Valar Principals Fund V LP, a Delaware limited partnership ("Valar PF V"), Valar Velocity Fund 2 LP, a Delaware limited partnership ("Valar Velocity Fund," and collectively with Valar Global IV, Valar Global PF IV, Valar Fund V, and Valar PF V, the "Valar Funds" and each a "Valar Fund"), Valar Ventures GP IV LLC, a Delaware limited liability company ("Valar Ventures IV"), Valar GP V LLC, a Delaware limited liability company ("Valar GP V"), Valar Velocity GP 2 LLC, a Delaware limited liability company ("Valar Velocity LLC," and collectively with Valar Ventures IV and Valar GP V, the "Valar GPs" and each a "Valar GP"), James Fitzgerald, and Andrew McCormack (collectively with the Valar Funds, the Valar GPs, and James Fitzgerald, the "Valar Applicants") seek permission to acquire control of Centurion Life Insurance Company, an Iowa domestic insurer (the "Domestic Insurer") and direct, wholly-owned subsidiary of Wells Fargo Financial, LLC, an Iowa limited liability company ("Wells Fargo"). Pursuant to the proposed acquisition (described in more detail herein), the Domestic Insurer will become a direct, wholly-owned subsidiary of Bestow. Bestow, the O'Banion Applicants, the Abelman Applicants, and the Valar Applicants are collectively referred to herein as the "Applicants."

In accordance with the provisions of Iowa Code<sup>1</sup> section 521A.3, the Applicants have filed an Amended and Restated Form A Statement, dated April 23, 2021 (the “Form A Statement”), applying for approval of their acquisition of control of the Domestic Insurer with the Commissioner of Insurance of the State of Iowa (the “Commissioner”).

Pursuant to the provisions of Iowa Code section 521A.3(4), and at the request of Applicants, a public hearing was held on Monday, July 19, 2021, at the Iowa Insurance Division (“Division”) for the purpose of determining whether the proposed acquisition of control of the Domestic Insurer by the Applicants complies with the statutory requirements set forth in Iowa Code section 521A.3(4)(a).

## **II. JURISDICTION**

Notice of the public hearing conducted on July 19, 2021, was provided to the parties in accordance with Iowa Code section 17A.12. (*Trans. at 5; Exhibit 3*) The Commissioner has jurisdiction over this matter under Iowa Code sections 17A.11, 17A.12, and 521A.3.

## **III. EVIDENCE PRESENTED**

At the public hearing, the Applicants offered nine exhibits as follows:

- Exhibit 1: An electronic copy the Form A Statement, as supplemented (including exhibits (other than confidential exhibits) attached thereto).
- Exhibit 1A: An electronic copy of the confidential, regulator-only version of the Form A Statement, as supplemented (including exhibits, portions of which are held confidential pursuant to the provisions of Iowa Code sections 22.7(6) and 505.8(9) and Iowa Administrative Code rule 191–2.12).
- Exhibit 2: Email from Erin Donnelly, Esq., Willkie Farr & Gallagher LLP, on behalf of the Applicants, providing a copy of the Form A Statement (excluding confidential exhibits) to the Domestic Insurer, dated April 28, 2021.
- Exhibit 3: Notice of Public Hearing on the Form A Statement issued by the Division and dated June 15, 2021 (the “Notice of Public Hearing”).
- Exhibit 4: Email from Maureen Curtiss, Esq., Willkie Farr & Gallagher LLP, on behalf of the Applicants, providing a copy of the Notice of Public Hearing to the Domestic Insurer, dated June 16, 2021.
- Exhibit 5: Affidavit of Alan Maurice Holck, Vice President and Director of the Domestic Insurer, regarding receipt and distribution of the Form A Statement and Notice of Public Hearing, dated July 13, 2021.

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

- Exhibit 6: Affidavit of Melbourne O'Banion III regarding public hearing testimony in connection with the Form A Statement, dated July 15, 2021.
- Exhibit 7: Affidavit of Alan Maurice Holck regarding public hearing testimony in connection with the Form A Statement, dated July 13, 2021.
- Exhibit 8: Application for Admission Pro Hac Vice of Richard T. Freije, Faegre Drinker Biddle & Reath LLP.

Exhibits 1 through 8 were received into the record. (*Trans. at 14–15*)

In addition, the Applicants called two witnesses at the public hearing, Mr. Melbourne O'Banion III, who spoke on behalf of the Applicants, and Mr. Alan Maurice Holck, who spoke on behalf of the Domestic Insurer. Mr. O'Banion is the co-founder and Chief Executive Officer of Bestow. (*Trans. at 15–16*) Mr. Holck is a Vice President and Director of the Domestic Insurer. (*Trans. at 16*)

Mr. O'Banion testified that he assisted with the preparation of the Form A Statement and was personally familiar with the application and the proposed acquisition. He affirmed that the Form A Statement submitted in this matter is complete, accurate, and up-to-date. He also confirmed that the Form A Statement does not contain any misleading statements or omit any material facts, and that there had been no material changes to the facts, statements, and representations in the Form A Statement since its submission. (*Trans. at 19, 31–33*) Mr. O'Banion indicated that there were no contracts that are part of the proposed acquisition of which the Division and Commissioner have not been made aware. (*Trans. at 37*)

According to the Form A Statement, the Domestic Insurer is currently a direct, wholly-owned subsidiary of Wells Fargo. Pursuant to a Stock Purchase Agreement dated November 5, 2020 (the "Purchase Agreement"), Bestow will purchase from Wells Fargo 25,000 shares of capital stock of the Domestic Insurer, which constitute all of the issued and outstanding shares of capital stock of the Domestic Insurer. The Domestic Insurer is licensed to write direct business in 47 states, the District of Columbia, Guam, and the Northern Mariana Islands as a life insurance company and is licensed as a reinsurer in New York. The purchase price under the Purchase Agreement for the stock of the Domestic Insurer will be \$2,320,000, subject to reduction in the event the Domestic Insurer ceases to be licensed in one or more of the jurisdictions in which it is currently licensed, plus an amount of cash equal to the adjusted statutory capital and surplus of the Domestic Insurer as of the closing of the proposed acquisition. (*Trans. at 21–22; Exhibit 1; Exhibit 1A*) Mr. O'Banion testified that the Domestic Insurer is expected to pay a dividend to Wells Fargo prior to the closing of the proposed transaction, subject to approval of the Division. (*Trans. at 27–28; Exhibit 1*)

The consideration under the Purchase Agreement will be financed with the Applicants' cash on hand, and as such the Applicants do not require outside financing for the proposed acquisition. The Applicants noted in the Form A Statement and Mr. O'Banion further testified that the terms and conditions of the proposed acquisition were determined through arm's length negotiations between the unaffiliated parties assisted by independent advisors. Immediately upon closing of

the Purchase Agreement, the Domestic Insurer will become a direct, wholly-owned subsidiary of Bestow. (*Trans. at 21–22; Exhibit 1*)

Mr. O’Banion testified regarding the financial stability of the Applicants, noting that each of the Applicants maintains a strong financial position. (*Trans. at 26*) He noted that the Domestic Insurer will continue to satisfy the required minimum capital and surplus requirements under Iowa law after the closing of the proposed acquisition. (*Trans. at 24*) Given this and the financial statements provided with the Form A Statement, Mr. O’Banion testified that the Applicants’ acquisition of the Domestic Insurer will neither jeopardize its financial position nor prejudice the interests of its policyholders. (*Trans. at 26*)

In addition, Mr. O’Banion testified that, after the consummation of the proposed acquisition, the Domestic Insurer will continue to satisfy the requirements for issuance of licenses to write the lines of insurance for which it is presently licensed. (*Trans. at 24*) He stated that the Applicants currently plan to continue to operate the Domestic Insurer as an Iowa domestic insurer and will establish a significant presence in Iowa. (*Trans. at 23*)

Mr. O’Banion further testified that the proposed acquisition will not substantially lessen competition in insurance in Iowa. (*Trans. at 25*) The Domestic Insurer has been in run-off and not writing new lines or assuming any new reinsurance obligations for a number of years. As a condition to the closing of the proposed acquisition, the Domestic Insurer will enter into a coinsurance agreement with Somerset Reinsurance Ltd. (“Somerset”), pursuant to which the Domestic Insurer will cede to Somerset, on a coinsurance funds withheld basis, a 100% quota share of substantially all of the insurance and annuity policies and contracts issued by the Domestic Insurer prior to the closing, including the Domestic Reinsurer’s obligations under any remaining reinsurance contracts (the “Somerset Coinsurance Agreement”). (*Exhibit 1*) Accordingly, Mr. O’Banion stated that the proposed acquisition will not result in the consolidation of existing competitors in the Iowa insurance market. He also noted that the Applicants do not currently control any insurer that currently writes any insurance business in Iowa or any other state. As such, he stated that there will be no negative impact on competition in the Iowa market.<sup>2</sup> (*Trans. at 25*)

Mr. O’Banion testified that the Applicants plan to provide consumers in each state in which the Domestic Insurer is currently licensed with access to life insurance products through Bestow’s proprietary, technology-focused digital platform. He noted that the Applicants will seek approval to change the Domestic Insurer’s name to Bestow Life Insurance Company. (*Trans. at 22–23*) Mr. O’Banion stated that the Applicants expect the Domestic Insurer to enter into certain reinsurance agreements, subject to regulatory approval. He also testified that the Applicants intend to select a third-party asset manager with significant experience in managing the assets of life insurance companies to manage the Domestic Insurer’s assets. (*Trans. at 27–28*) The Applicants’ further intend for the Domestic Insurer to enter into certain intercompany services agreements with Bestow and Bestow’s subsidiary, Bestow Agency, LLC, a general insurance

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<sup>2</sup> Although Bestow’s wholly owned subsidiary, Bestow National Life Insurance Company, is a Texas-domiciled insurance company, this subsidiary has not yet written any business in Iowa or any other state. (*Trans. at 25; Exhibit 1*)

agency and third-party administrator (“Bestow Agency”), which are also subject to the Division’s approval. (*Exhibit 1*)

Mr. O’Banion stated that the directors and officers of the Applicants and the Domestic Insurer after the proposed acquisition have considerable experience in management and business operations in the insurance industry, including most recently with Bestow’s subsidiaries: Bestow Agency and Bestow National Life Insurance Company, a Texas-domiciled insurance company formed in 2019 (“BNLIC”). Mr. O’Banion confirmed that, given such officers’ and directors’ experience, further described in their biographical affidavits, he believes such individuals have the competence, experience, and integrity such that the interests of the policyholders and the public will not be jeopardized. (*Trans. at 20, 28–29; Exhibit 1; Exhibit 1A*)

Mr. Holck read a prepared statement for the record. He stated that both Wells Fargo and the Domestic Insurer supported the proposed acquisition of control by the Applicants. Mr. Holck also testified that he was aware of the Applicants’ proposed plans for the Domestic Insurer and did not believe their acquisition of control would be hazardous or prejudicial to the insurance-buying public in Iowa. (*Trans. at 35*)

#### IV. FINDINGS OF FACT

The statutory requirements that the Applicants’ acquisition plan must meet are relatively straightforward. Iowa Code section 521A.3(4)(a) provides that the Commissioner is to approve an application for acquisition of control if, after a public hearing on such acquisition, the applicant has demonstrated to the Commissioner all of the following:

1. That after the change of control the domestic insurer will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
2. That the effect of the acquisition of control will not substantially lessen competition in insurance in the State of Iowa;
3. That the financial condition of any acquiring party will not jeopardize the financial stability of the insurer, or prejudice the interests of its policyholders;
4. That the plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are not unfair or unreasonable to policyholders of the insurer and are not contrary to the public interest;
5. That the competence, experience, and integrity of those persons who would control the operation of the insurer are sufficient to indicate that the interests of the policyholders of the insurer and of the public will not be jeopardized by the acquisition of control; and
6. That the acquisition of control is not likely to be hazardous or prejudicial to the insurance-buying public.

Based upon the evidence in the record viewed as a whole, the Commissioner finds as follows:

1. After the change of control, the Domestic Insurer will be able to satisfy Iowa licensure requirements and continue writing the line or lines of insurance for which it is presently licensed.

Iowa Code section 521A.3(4)(a)(1) requires an applicant to demonstrate to the Commissioner that, after the change of control, the acquired domestic insurer will be able to satisfy the requirements for issuing a license to write the line or lines of insurance for which it is presently licensed.

Mr. O'Banion testified that after the consummation of the proposed acquisition, the Domestic Insurer will continue to satisfy the requirements for issuance of a license to write the lines of insurance for which it is presently licensed. Mr. O'Banion further testified that, post-acquisition, the Domestic Insurer will continue to satisfy all capital and surplus requirements for licensure under Iowa law. (*Trans. at 24*) The Commissioner notes that in connection with the proposed acquisition, the Domestic Insurer has requested approval from the Division to pay an extraordinary dividend prior to the closing of the proposed acquisition. (*Trans. at 27-28; Exhibit 1*) Despite this plan, the Domestic Insurer will continue to have sufficient capital and surplus to maintain licensure post-closing. (*Trans. at 24; Exhibit 1; Exhibit 1A*) In addition, Mr. O'Banion's testimony gains further support from the evidence regarding the financial resources of the Applicants and the evidence that the proposed acquisition will not jeopardize the financial position of the Domestic Insurer. (*Trans. at 26; Exhibit 1; Exhibit 1A*) The Applicants have further confirmed that the Domestic Insurer will establish a substantial presence in Iowa, including an office in Iowa with management-level employees across the Domestic Insurer's and Bestow's underwriting, actuarial, finance and engineering areas. (*Trans. at 23, 33*)

The Commissioner finds that the Domestic Insurer's ability to satisfy Iowa licensure requirements and its ability to continue writing existing lines of insurance for which it is licensed will be unimpaired after the change of control.

2. The effect of Applicants' acquisition of control of the Domestic Insurer will not substantially lessen competition in insurance in Iowa.

Iowa Code section 521A.3(4)(a)(2) requires an applicant to demonstrate to the Commissioner that the effect of the acquisition of control will not substantially lessen competition in insurance in Iowa.

The Applicants do not currently control any insurer that currently writes any insurance business in Iowa or any other state. (*Trans. at 25*) The Commissioner also notes that the Domestic Insurer currently does not write new insurance business in Iowa or anywhere else. Until 2010, the Domestic Insurer previously directly wrote and reinsured credit life and credit disability products as well as provided deferred annuities. The Domestic Insurer also reinsured accidental death products through non-affiliated third parties, and many of these reinsurance contracts have run-off.<sup>3</sup> As a condition to the closing of the proposed acquisition, the Domestic Insurer will

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<sup>3</sup> Iowa Insurance Division, *Examination Report of Centurion Life Insurance Company, Des Moines, Iowa, as of December 31, 2017*, 6 (May 31, 2019), available at <https://iid.iowa.gov/sites/default/files/examination-reports/life-and-health/1560-17c.pdf>.

enter into the Somerset Coinsurance Agreement, pursuant to which the Domestic Insurer will cede to Somerset, on a coinsurance funds withheld basis, a 100% quota share of substantially all of the insurance and annuity policies and contracts issued by the Domestic Insurer prior to the closing, including the Domestic Reinsurer's obligations under any remaining reinsurance contracts. Once the Somerset Coinsurance Agreement is in effect, substantially the only assets that will remain in the Domestic Insurer, other than those withheld in support of the Somerset Coinsurance Agreement, upon the closing of the proposed acquisition are its licenses and capital to maintain minimum capital and surplus requirements for such licenses. (*Exhibit 1; Exhibit 1A*) As the Domestic Insurer currently does no insurance business in Iowa, the acquisition will neither result in any consolidation of existing competitors in the insurance market nor have any negative impact on Iowa market shares.

Given that the acquisition will have no impact on Iowa market shares, the Commissioner finds that the Applicants' acquisition of control of the Domestic Insurer will not substantially lessen competition in insurance in Iowa.

3. The Applicants' financial condition will not jeopardize the financial stability of the Domestic Insurer or prejudice the interests of their policyholders.

Iowa Code section 521A.3(4)(a)(3) requires an applicant to demonstrate to the Commissioner that the applicant's financial condition will not jeopardize the financial stability of the acquired domestic insurer or prejudice the interests of its policyholders.

The facts in the record support Mr. O'Banion's testimony that the financial condition of the Applicants will neither jeopardize the financial stability of the Domestic Insurer nor prejudice the interests of its policyholders. The Applicants each maintain a strong financial position. (Trans. at 26; Exhibit 1; Exhibit 1A) The Commissioner also notes that Bestow has raised significant capital through private equity offerings since its founding in 2016 and, in addition to the Applicants, is backed by a number of venture capital firms with substantial assets under management.<sup>4</sup> The Applicants have further indicated that they intend to select a third-party asset manager for the Domestic Insurer's assets with a sound record of managing the assets of life insurance companies. (*Trans. at 28; Exhibit 1; Exhibit 1A*)

Pursuant to the Purchase Agreement, Bestow will pay to Wells Fargo an amount of cash equal to \$2,320,000, subject to reduction in the event the Domestic Insurer ceases to be licensed in one or more of the jurisdictions in which it is currently licensed, plus an amount of cash equal to the adjusted statutory capital and surplus of the Domestic Insurer as of the closing of the proposed acquisition. The Applicants will pay the purchase price using cash on hand and as such do not require outside financing for the proposed acquisition. (*Exhibit 1*)

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<sup>4</sup> Bestow Inc., *Bestow Announces \$70 Million in Series C Funding* (Dec. 16, 2020), available at <https://www.prnewswire.com/news-releases/bestow-announces-70-million-in-series-c-funding-301193431.html>; Bestow Inc., *Bestow Inc. Closes Series B Financing and Launches the Bestow Foundation* (Apr. 23, 2020), available at <https://www.prnewswire.com/news-releases/bestow-inc-closes-series-b-financing-and-launches-the-bestow-foundation-301046019.html>; Bestow Inc., *Bestow Raises \$15 Million in Series A Financing* (May 21, 2018), available at <https://www.prnewswire.com/news-releases/bestow-raises-15-million-in-series-a-financing-300651762.html>.

The Domestic Insurer has sought the Division's approval for an extraordinary dividend prior to the closing of the proposed acquisition. The Applicants, however, have no current plans to cause an extraordinary dividend after the closing of the proposed acquisition. (*Exhibit 1*)

Given the facts in the record, the Commissioner finds neither the acquisition itself nor the Applicants' post-acquisition plans will create a material adverse financial impact on the Domestic Insurer. There being no evidence of a material adverse financial impact on the Domestic Insurer, the Commissioner further finds that the interests of the Domestic Insurer's policyholders will not be prejudiced by the Applicants' financial position.

4. The Applicants' proposed post-acquisition changes in the Domestic Insurer's business or corporate structure or management are not unfair or unreasonable to the Domestic Insurer's policyholders and are not contrary to the public interest.

Iowa Code section 521A.3(4)(a)(4) requires an applicant to demonstrate to the Commissioner that the applicant's plans or proposals to liquidate the domestic insurer, sell its assets or consolidate or merge it with any person, or to make any other material change to the acquired domestic insurer's business or corporate structure or management, are not unfair or unreasonable to its policyholders and are not contrary to the public interest.

The facts in the record indicate that the Applicants have no present plans to liquidate, consolidate, or merge the Domestic Insurer or to sell its assets. (*Trans. at 26–27; Exhibit 1*) The Domestic Insurer will maintain its separate corporate existence after the closing of the proposed acquisition. (*Trans. at 27; Exhibit 1*) The Applicants initially intended to redomesticate the Domestic Insurer to Texas. (*Exhibit 1*) However, the Applicants now intend to continue operating the Domestic Insurer as an Iowa domestic insurer with a significant presence in the state. (*Trans. at 23; Exhibit 1; Exhibit 6*) The Applicants further intend to change the name of the Domestic Insurer to Bestow Life Insurance Company.<sup>5</sup> (*Exhibit 1*)

Mr. O'Banion testified that the Applicants intend for the Domestic Insurer to offer life insurance products using Bestow's proprietary digital platform. Bestow's subsidiary, Bestow Agency, has utilized this platform to underwrite, sell, service, and administer life insurance products as a third-party administrator for an unaffiliated insurer since 2018. The Applicants intend to leverage this experience and the digital platform business model to sell life insurance products directly to consumers. (*Trans. at 27; Exhibit 1*) While the Applicants have not yet selected a third-party asset manager to manage the Domestic Insurer's assets, the Applicants have indicated that they will select an asset manager with significant experience in managing the assets of life insurance companies to ensure the Domestic Insurer's assets and risks are soundly managed. (*Trans. at 28; Exhibit 1A*) In addition, Bestow has agreed to maintain the Domestic Insurer's risk-based capital ratio in accordance with standards approved by the Division.

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<sup>5</sup> The Applicants' Texas-domiciled life insurance company subsidiary, BNLIC, was previously named Bestow Life Insurance Company. The Applicants made appropriate filings, effective December 29, 2020, to change that subsidiary's name to Bestow National Life Insurance Company to facilitate the name change of the Domestic Insurer in Iowa. (*Exhibit 1*)



Mr. O'Banion further testified that the Applicants expect that the Domestic Insurer to enter into certain reinsurance agreements at or shortly after the closing of the proposed acquisition. (*Trans. at 27–28*) First, as discussed above, the Domestic Insurer will enter into the Somerset Coinsurance Agreement as a condition to closing of the proposed acquisition. (*Exhibit 1; Exhibit 6*) Second, for insurance policies issued by the Domestic Insurer subsequent to the closing of the proposed acquisition, the Domestic Insurer intends to enter into a quota share coinsurance agreement with Munich American Reassurance Company. (*Exhibit 1A; Exhibit 6*) Each reinsurance agreement is subject to required regulatory approvals by the Division. (*Trans. at 27–28*)

The Applicants further plan to cause the Domestic Insurer to enter into certain intercompany agreements with the Applicants and their affiliates. Bestow will provide certain administrative and other services to the Domestic Insurer pursuant to an intercompany services agreement. Similarly, Bestow Agency will assume all of the administrative duties of the Domestic Insurer with respect to policies subject to the Somerset Coinsurance Agreement pursuant to a second intercompany services agreement. Like the above-discussed reinsurance agreements, these intercompany agreements are subject to required regulatory approvals by the Division pursuant to Iowa Code section 521A.5. (*Exhibit 1*)

On the basis of the foregoing evidence, the Commissioner finds that the Applicants' proposed post-acquisition business plans and transactions are not unfair or unreasonable to the Domestic Insurer's policyholders and are not contrary to the public interest.

5. The competence, experience and integrity of those persons who will control the operation of the Domestic Insurer are sufficient to indicate that the interests of the Domestic Insurer's policyholders and the public will not be jeopardized by the Applicants' acquisition of control of the Domestic Insurer.

Iowa Code section 521A.3(4)(a)(5) requires an applicant to demonstrate to the Commissioner that the competence, experience and integrity of those the applicant selects to control the operations of the acquired domestic insurer are sufficient to indicate that policyholders' interests and the public interest will not be jeopardized by the acquisition.

To that end, the Commissioner must review detailed information of the person or persons who would be in control of the insurer in the event the application is approved. This analysis focuses not on intermediate control but on ultimate control of the insurer. An "ultimate controlling person" is broadly defined in Iowa Administrative Code rule 191-45.2(3) as one who is not controlled by any other person. An ultimate controlling person may include, but is not limited to, an individual or business enterprise.

Once the proposed acquisition is completed, the Domestic Insurer will be a direct, wholly-owned subsidiary of Bestow. Incorporated in 2016, Bestow is in the growth stages as a start-up company. Bestow is controlled by O'Banion Capital, the Abelmann Entities, and the Valar Funds. O'Banion Capital is controlled by Melbourne O'Banion III. Mr. O'Banion is the Co-Founder and Chief Executive Officer of Bestow. Of the Abelmann Entities, Tempus Fugit is controlled by TF Trust, which, along with Abelmann Land & Cattle, in turn is controlled by Jonathan William Abelmann. Mr. Abelmann is Bestow's President and Co-Founder, responsible

for Bestow's technology, data science, and finance teams. Each Valar Fund is controlled by its respective Valar GP, and the Valar GPs are each controlled by James Fitzgerald and Andrew McCormack. Mr. Fitzgerald and Mr. McCormack are founding partners at Valar Ventures, a venture capital firm, and have significant experience in venture capital and corporate development. (*Exhibit 1; Exhibit 1A*)

Facts in the record indicate that these ultimate controlling persons as well as the directors and officers of Bestow and the Domestic Insurer post-closing are experienced and competent based upon their current experience in the insurance industry and general corporate governance and business operations. (*Trans. at 28–29; Exhibit 1; Exhibit 1A*) Biographical affidavits for each director and executive officer of the Applicants and the Domestic Insurer post-closing were submitted to the Division. (*Exhibit 1; Exhibit 1A*)

The Commissioner finds that the competence, experience, and integrity of those individuals and entities that would control the operation of the Domestic Insurer after the acquisition are sufficient to indicate that the interests of the Domestic Insurer's policyholders and of the public will not be jeopardized by the Applicants' proposed acquisition of control of the Domestic Insurer.

6. The Applicants' acquisition of control of the Domestic Insurer, as conditioned below, is not likely to be hazardous or prejudicial to the insurance-buying public.

Iowa Code section 521A.3(4)(a)(6) requires an applicant to demonstrate to the Commissioner that the acquisition of control of the domestic insurer is not likely to be hazardous or prejudicial to the insurance-buying public.

Based upon a thorough review of the record in this proceeding, including Exhibits 1 through 8, and the testimonies of Mr. O'Banion and Mr. Holck, the Commissioner finds that the Applicants' acquisition of control of the Domestic Insurer, as conditioned below, is not likely to be hazardous or prejudicial to the insurance-buying public of the State of Iowa. The Form A Statement submitted by the Applicants, the exhibits thereto, the testimonies of Mr. O'Banion and Mr. Holck, and the other exhibits entered into the record of this proceeding collectively demonstrate that the criteria set forth in Iowa Code section 521A.3(4)(a)(1)–(5) are established. When viewed as a whole, the record indicates that there are no other factors which might make the proposed acquisition hazardous or prejudicial to the insurance-buying public. Accordingly, the requirements of Iowa Code section 521A.3(4)(a)(6) have likewise been established.

The Commissioner finds that the Applicants' acquisition of control of the Domestic Insurer, as conditioned below, is not likely to be hazardous or prejudicial to the insurance-buying public.

## V. CONCLUSIONS OF LAW

The legislature has vested discretion in the Commissioner not only to hold hearings and make factual findings, but also to interpret and apply the law.

Iowa Code section 521A.3(4)(a) requires the Commissioner to approve an application for acquisition of control if, after a public hearing, the applicant demonstrates all six criteria listed within that section to the Commissioner.

After a careful review of all evidence submitted, the Commissioner concludes, upon substantial evidence, that the Applicants have demonstrated to the Commissioner all six requirements set forth in, and required by, Iowa Code section 521A.3(4)(a). The Applicants' proposed acquisition of control of the Domestic Insurer should be approved.

## ORDER

**IT IS ORDERED** that:

The application of Bestow Inc., O'Banion Capital LLC, Melbourne O'Banion III, Abelman Land & Cattle LLC, Tempus Fugit LLC, Tempus Fugit Trust, Jonathan William Abelman, Valar Global Fund IV LP, Valar Global Principals Fund IV LP, Valar Fund V LP, Valar Principals Fund V LP, Valar Velocity Fund 2 LP, Valar Ventures GP IV LLC, Valar GP V LLC, Valar Velocity GP 2 LLC, James Fitzgerald, and Andrew McCormack for approval of the acquisition of control of Centurion Life Insurance Company, an Iowa domestic insurer, is **APPROVED** subject to the following condition:

1. All conditions to closing of the proposed acquisition and commitments to the Division are satisfied by the Applicants.
2. After the closing of the proposed acquisition, the Domestic Insurer shall notify the Division if it plans to make any significant deviations from the Plan of Operations submitted with the Applicants' Form A Statement, including, but not limited to, any plans to enter into new lines of business. In such event, the Domestic Insurer shall submit a revised Plan of Operation and Financial Projections to the Division and shall further obtain the Division's approval prior to making any such deviation.

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 16th day of August, 2021.



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DOUG OMMEN  
Commissioner of Insurance

Copies to:

Richard T. Freije and David A. McNeill, Faegre Drinker Biddle & Reath LLP

Allison J. Tam, Willkie Farr & Gallagher LLP

Stephanie H. Dobecki, Sidley Austin LLP

Justina Roberts, Centurion Life Insurance Company and Wells Fargo Financial, LLC