

# BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA

In the matter of the application for )  
acquisition of control of AMERICAN EQUITY )  
INVESTMENT LIFE INSURANCE )  
COMPANY and EAGLE LIFE INSURANCE )  
COMPANY by NORTH END RE (CAYMAN) )  
SPC, BAM RE HOLDINGS LTD., )  
BROOKFIELD ASSET MANAGEMENT )  
REINSURANCE PARTNERS LTD., BAM RE )  
PARTNERS TRUST, BAM RE TRUSTEE )  
LTD., PARTNERS FC LTD., PARTNERS FC )  
INC., PARTNERS BK LTD., BRIAN )  
KINGSTON, and JAMES BRUCE FLATT )

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

### **I. INTRODUCTION**

North End Re (Cayman) SPC, a Cayman Islands segregated portfolio company (“North End Re”), BAM Re Holdings Ltd., an exempted company limited by shares established under the laws of Bermuda (“BAM Re Holdings”), Brookfield Asset Management Reinsurance Partners Ltd., an exempted company limited by shares established under the laws of Bermuda (“BAM Re”), BAM Re Partners Trust, a trust formed under the laws of Bermuda (“BAM Re Trust”), BAM Re Trustee Ltd., an exempted company limited by shares established under the laws of Bermuda (“BAM Re Trustee”), Partners FC Ltd., an exempted company limited by shares established under the laws of Bermuda (“Partners FC Ltd.”), Partners FC Inc., a British Virgin Islands corporation (“Partners FC Inc.”), Partners BK Ltd., an exempted company limited by shares established under the laws of Bermuda (“Partners BK”), Brian Kingston (“Kingston,” and collectively with Partners BK, the “Kingston Applicants”), and James Bruce Flatt (“Flatt,” and collectively with Partners FC Ltd. and Partners FC Inc., the “Flatt Applicants”) seek permission to acquire control of American Equity Investment Life Insurance Company, an Iowa domestic insurer (“AEL”), and Eagle Life Insurance Company, an Iowa domestic insurer (“Eagle,” and together with AEL, the “Domestic Insurers”), each a direct, wholly-owned subsidiary of American Equity Investment Life Holding Company, an Iowa corporation (“AEL Holdco”). Pursuant to the proposed transaction (described in more detail herein), North End Re will acquire a controlling interest in AEL Holdco and, indirectly, the Domestic Insurers. North End Re, BAM Re Holdings, BAM Re, BAM Re Trust, BAM Re Trustee, the Kingston Applicants, and the Flatt 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 a Second Amended and Restated Form A Statement, dated September 27, 2021 (the “Form A”

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

Statement”), applying for approval of their acquisition of control of the Domestic Insurers 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, November 30, 2021, at the Iowa Insurance Division (“Division”) for the purpose of determining whether the proposed acquisition of control of the Domestic Insurers 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 November 30, 2021, was provided to the parties in accordance with Iowa Code section 17A.12. (*Trans. at 4; 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 five exhibits as follows:

Exhibit 1: An electronic copy of the Form A Statement (including exhibits (other than confidential exhibits) attached thereto).

Exhibit 2: An electronic copy of the confidential, regulator-only version of the Form A Statement (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 3: Notice of Public Hearing on the Form A Statement issued by the Division and dated November 8, 2021 (the “Notice of Public Hearing”).

Exhibit 4: Affidavit of Lyndsay Hatlelid, Senior Vice President and General Counsel of BAM Re, regarding public hearing testimony in connection with the Form A Statement, dated November 29, 2021.

Exhibit 5: Affidavit of Phyllis Zanghi, Executive Vice President, Chief Legal Officer, and Secretary of the Domestic Insurers regarding receipt of the Form A Statement and Notice of Public Hearing, dated November 24, 2021.

Exhibits 1 through 5 were received into the record. (*Trans. at 11–12*)

In addition, the Applicants called three witnesses at the public hearing, Mr. Barry Blattman and Ms. Lyndsay Hatlelid, who each spoke on behalf of the Applicants, and Mr. Anant Bhalla, who spoke on behalf of the Domestic Insurers. Mr. Blattman is the Vice Chair of Brookfield Asset Management (“BAM”) and a member of the Board of Directors of BAM Re. (*Trans. at 13*) Ms. Hatlelid is the Senior Vice President and General Counsel of BAM Re. (*Trans. at 16–17*) Mr. Bhalla is the Chief Executive Officer, President, and a Director of AEL Holdco. (*Trans. at 41*)

Ms. Hatlelid testified that she assisted with the preparation of the Form A Statement and was personally familiar with the application and the proposed acquisition. She affirmed that the Form A Statement submitted in this matter is complete, accurate, and up to date. She 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 17–18, 36–38*) Ms. Hatlelid indicated that there were no contracts that are part of the proposed acquisition of which the Division has not been made aware. (*Trans. at 39–40*)

According to the Form A Statement, The Domestic Insurers are both direct, wholly-owned subsidiaries of AEL Holdco. On October 17, 2020, BAM and its affiliate Burgundy Acquisition I Ltd. (“Burgundy”), entered into an Investment Agreement (the “Investment Agreement”) with AEL Holdco. Pursuant to the Investment Agreement, Burgundy agreed to purchase (i) an initial tranche of newly issued common shares of AEL Holdco constituting 9.9% of AEL Holdco’s issued and outstanding voting shares, without giving effect to the issuance of such shares (the “Initial Investment”), and (ii) a second tranche of newly issued common shares of AEL Holdco constituting, together with the shares issued as part of the Initial Investment, between 15.0% and 19.9% of AEL Holdco’s issued and outstanding voting shares, after giving effect to the issuance of such shares (the “Subsequent Investment,” and collectively with the Initial Investment, the “Investment Transaction”). On November 30, 2020, BAM caused Burgundy to complete the Initial Investment, whereby Burgundy purchased from AEL Holdco 9,106,042 shares of common stock of AEL Holdco for an aggregate purchase price of \$336,923,554, or \$37.00 per share. (*Exhibit 1; Exhibit 2*)

Also in November 2020, BAM announced plans to reorganize its insurance business under a new publicly-listed holding company, BAM Re (the “Reorganization”). In connection with the Reorganization, on February 28, 2021, AEL Holdco, BAM, Burgundy, BAM Re, and North End Re, an indirect, wholly-owned subsidiary of BAM Re, entered into an agreement (the “Assignment Agreement”), pursuant to which BAM, simultaneously with the consummation of the Reorganization, and Burgundy, upon consummation of the transfer by Burgundy of all of the shares of AEL Holdco that were acquired in the Initial Investment to North End Re, assigned their obligations under the Investment Agreement to BAM Re and North End Re. The Reorganization was subsequently completed on June 28, 2021, at which time Burgundy transferred all of the shares of AEL Holdco that were acquired in the Initial Investment to North End Re. As a result of the Reorganization and the Assignment Agreement, upon the consummation of the Subsequent Investment, North End Re will hold a direct interest of up to 19.9% in the voting shares of AEL Holdco and, indirectly, the Domestic Insurers. (*Exhibit 1; Exhibit 2*)

The purchase price for the Subsequent Investment will be equal to the product of (i) the number of shares purchased in the Subsequent Investment and (ii) the greater of (A) \$37.00 or (B) AEL Holdco’s book value per share, as reflected in AEL Holdco’s most recent publicly disclosed quarter-end financial statement, subject to certain adjustments. The consideration for the Subsequent Investment 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 Ms. Hatlelid further testified that the terms and conditions of the

proposed acquisition were determined through arm's length negotiations between BAM and AEL Holdco assisted by independent advisors. (*Trans. at 24–25; Exhibit 1; Exhibit 2*)

Ms. Hatlelid testified regarding the financial stability of the Applicants, noting that each of the Applicants is financially sound and adequately capitalized. She noted that the Domestic Insurers will continue to satisfy the required minimum capital and surplus requirements under Iowa law after the closing of the proposed acquisition. Ms. Hatlelid also stated that the Investment Transaction is expected to enhance the financial stability of the Domestic Insurers by, among other things, providing a significant capital infusion into AEL Holdco. Given this and the financial statements provided with the Form A Statement, Ms. Hatlelid testified that the Applicants' acquisition of the Domestic Insurers will neither jeopardize their financial position nor prejudice the interests of their policyholders. (*Trans. at 30–31*)

In addition, Ms. Hatlelid testified that, after the consummation of the proposed acquisition, the Domestic Insurers will continue to satisfy the requirements for issuance of licenses to write the lines of insurance for which they are presently licensed. In particular, Ms. Hatlelid stated that the Domestic Insurers after the closing of the proposed acquisition will continue to operate with a sound plan of operation and to be managed by the same experienced management team. (*Trans. at 29–30*) She did note that pursuant to the Investment Agreement, the Applicants did receive the right to nominate one director to the AEL Holdco Board of Directors (the "AEL Holdco Board"), which was exercised in November 2020 with the appointment of Sachin Shah to the AEL Holdco Board. (*Trans. at 23*) Nonetheless, Ms. Hatlelid stated that the directors and officers of both the Applicants and the Domestic Insurers have considerable experience in management and business operations in the insurance industry, financial institutions, investment management companies, and similar organizations. (*Trans. at 25–26*) She further confirmed that, given such officers' and directors' experience, further described in their biographical affidavits, she 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 32–33; Exhibit 2*)

Ms. Hatlelid also testified that North End Re and AEL entered a reinsurance agreement whereby North End Re has reinsured a 100 percent quota share of insurance liabilities arising under certain annuity policies previously issued by AEL. Pursuant to the reinsurance agreement, North End Re will also reinsure a 90 percent quota share of insurance liabilities arising under certain future annuity contracts issued by AEL. (*Trans. at 23–24*) Other than Mr. Shah's appointment to the AEL Holdco Board and the reinsurance arrangement, Ms. Hatlelid stated that the Applicants do not have any plans to make any material changes to the operations, corporate structure, or management of the Domestic Insurers, nor any plans to liquidate the Domestic Insurers, sell their assets, or consolidate or merge them with any other person. (*Trans. at 28*)

Ms. Hatlelid further testified that the proposed acquisition will not substantially lessen competition in insurance in Iowa. She noted that, according to AM Best, the Domestic Insurers individual annuity sales of approximately \$48.7 million in 2020 represented less than 2 percent Iowa market share, whereas the Applicants currently do not control any insurance operations that include any written premium in any line of insurance business, including annuities, in Iowa. (*Trans. at 26–28*) Ms. Hatlelid did testify that, unrelated to the proposed acquisition of the Domestic Insurers, BAM Re has entered into an agreement to acquire American National

Insurance Company (“American National”), which also had individual annuity sales of approximately \$8.6 million in Iowa during 2020. (*Trans. at 27; Exhibit 4*) Altogether, taking the proposed unrelated acquisition of American National into account, she stated that there will be no substantial negative impact on competition in the Iowa market. (*Trans. at 30*)

Mr. Blattman read a prepared statement for the record on behalf of the Applicants and BAM. He discussed the reasoning behind the strategic partnership between BAM Re and AEL Holdco sought through the proposed acquisition. (*Trans. at 13–15*)

Mr. Bhalla read a prepared statement for the record on behalf of AEL Holdco and the Domestic Insurers. He stated that that the Subsequent Investment represents the culmination of a strategic transaction for AEL Holdco. Mr. Bhalla also testified both AEL Holdco and the Domestic Insurers supported the proposed acquisition of control by the Applicants. (*Trans. at 41–42*)

#### 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 Insurers will be able to satisfy Iowa licensure requirements and continue writing the line or lines of insurance for which they are 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.

After the consummation of the proposed acquisition, the Domestic Insurers will continue to satisfy the requirements for issuance of a license to write the lines of insurance for which they are presently licensed. (*Exhibit 1; Exhibit 2; Exhibit 4*) Ms. Hatlelid testified that, post-acquisition, the Domestic Insurers will continue to satisfy all capital and surplus requirements for licensure under Iowa law. (*Trans. at 29–30*) In addition, Ms. Hatlelid’s testimony gains further support from the evidence regarding the financial resources of the Applicants, the Applicants’ infusion of capital into AEL Holdco’s holding company system, and the evidence that the proposed acquisition will not jeopardize the financial position of the Domestic Insurers. (*Trans. at 31; Exhibit 1; Exhibit 2; Exhibit 4*) The Applicants have further confirmed that the Domestic Insurers will operate with a sound plan of operation and continue to be management by its current experienced management team. (*Trans. at 29-30; Exhibit 1; Exhibit 2*)

The Commissioner finds that the Domestic Insurers’ 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 Insurers 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.

According to AM Best’s Global Insurance Database, the Domestic Insurers collectively had individual annuity sales of approximately \$48.7 million in Iowa during 2020, representing a market share of less than 2%. The Applicants do not currently control any insurer that currently writes any insurance business in the state of Iowa. (*Trans. at 27; Exhibit 4*) As such, the Subsequent Investment and proposed acquisition will not result in any consolidation of existing competitors in the insurance market nor have any negative impact on Iowa market shares.

Unrelated to the Subsequent Investment and the proposed acquisition of control of the Domestic Insurers, BAM Re has entered into an agreement to acquire an interest in American National. American National also sells individual annuity products and had individual annuity sales of approximately \$8.6 million in Iowa during 2020. When combined with the Domestic Insurers’ market share, the Applicants would control approximately \$57.3 million of annual individual annuity shares in the state, representing a combined market share of approximately 2.3%. (*Trans. at 27; Exhibit 4*) Overall, the Commissioner agrees with the Applicants that, even when combined with the unrelated acquisition of American National, the proposed acquisition of the Domestic Insurers will have a minimal impact on Iowa market shares.

Given that the acquisition will have only a minimal impact on Iowa market shares, the Commissioner finds that the Applicants’ acquisition of control of the Domestic Insurers will not substantially lessen competition in insurance in Iowa.

3. The Applicants' financial condition will not jeopardize the financial stability of the Domestic Insurers 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 Ms. Hatlelid's testimony that the financial condition of the Applicants will neither jeopardize the financial stability of the Domestic Insurers nor prejudice the interests of its policyholders. Pursuant to the Investment Agreement, Burgundy completed the Initial Investment on November 30, 2020 and purchased 9,106,042 shares of AEL Holdco common stock representing 9.9% of the outstanding voting shares for \$336,923,554 or \$37 per share. Upon the closing of the Subsequent Investment, North End Re will purchase a number of shares of AEL Holdco common stock such that the aggregate holdings of North End Re (those purchased in both the Initial Investment, which were transferred from Burgundy to North End Re, and the Subsequent Investment) are equal to at least 15% and no more than 19.9% of the outstanding voting shares of AEL Holdco. The per share purchase price for the Subsequent Investment will be the greater of \$37 per share or AEL Holdco's book value per share, as adjusted, as reflected in AEL Holdco's then-most recent publicly disclosed quarter-end financial statement. The Applicants intend to fund the purchase price for the Subsequent Investment through cash available on hand and, as such, do not require outside financing for the proposed acquisition. (*Exhibit 1; Exhibit 2*)

As demonstrated by the financial statements of the Applicants submitted with the Form A Statement, the Applicants and their affiliates are financially stable and adequately capitalized. (*Exhibit 1; Exhibit 2*) As part of the Subsequent Investment and the proposed acquisition, the Applicants will inject additional capital into AEL Holdco, the parent of the Domestic Insurers. Such injection of capital is highly unlikely to jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their policyholders. The Applicants further noted that the strategic partnership planned through the proposed acquisition is intended to enhance the financial stability of the Domestic Insurers for the benefit of the Domestic Insurers' policyholders by, among other things, providing a significant capital infusion into AEL Holdco's holding company system and de-leveraging AEL's balance sheet through the new reinsurance agreement with North End Re. (*Exhibit 4*)

The Form A Statement did note, while not related solely to the Subsequent Investment, the financial projections for AEL contained a contemplated extraordinary dividend in connection with certain anticipated adjustments to AEL's reinsurance program. (*Exhibit 1; Exhibit 2; Exhibit 4*) However, the Applicants have since noted that they have no current plans to seek any extraordinary dividends from AEL, and to their knowledge, there is no extraordinary dividend currently being contemplated by either AEL or AEL Holdco. (*Exhibit 4*)

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 Insurers. There being no evidence of a material adverse financial impact on the Domestic Insurers, the Commissioner further finds that the interests of the Domestic Insurers' policyholders will not be prejudiced by the Applicants' financial position.

4. The Applicants' proposed post-acquisition changes in the Domestic Insurers' businesses or corporate structures or management are not unfair or unreasonable to the Domestic Insurers' 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 Insurers or to sell their assets. (*Trans. at 28; Exhibit 1; Exhibit 2*) The Domestic Insurers will maintain its separate corporate existence after the closing of the proposed acquisition. (*Trans. at 28; Exhibit 1; Exhibit 2*)

Ms. Hatlelid testified that the proposed transaction is part of a broader strategic partnership between BAM Re and AEL Holdco. (*Trans. at 23*) In addition to the proposed transaction, the North End Re and AEL entered a reinsurance agreement whereby North End Re has reinsured a 100 percent quota share of insurance liabilities arising under certain annuity policies previously issued by AEL. Pursuant to the reinsurance agreement, North End Re will also reinsure a 90 percent quota share of insurance liabilities arising under certain future annuity contracts issued by AEL. (*Trans. at 23–24; Exhibit 1; Exhibit 2*) AEL previously submitted a Form D application to the Division with respect to this reinsurance agreement, and the Division has already issued a no-objection letter with respect to the same. (*Trans. at 24*)

Other than the new reinsurance arrangement between North End Re and AEL, the Applicants have no other plans to make changes to the Domestic Insurers' business, corporate structure, or management. Projected financial statements of the Domestic Insurers filed with the Form A Statement reflect the continuation of their current business plans (subject to the impact of the discussed reinsurance arrangement). There are no plans to relocate the principal executive office of the Domestic Insurers from the Des Moines area or reduce employment levels in any material nature. (*Exhibit 4*)

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 Insurers' 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 Insurers are sufficient to indicate that the interests of the Domestic Insurers' policyholders and the public will not be jeopardized by the Applicants' acquisition of control of the Domestic Insurers.

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 transaction is completed, North End Re will own up to 19.9% of the outstanding voting shares of AEL Holdco, the parent of the Domestic Insurers. North End Re, through BAM Re Holdings, is an indirect, wholly-owned subsidiary of BAM Re. (*Exhibit 1; Exhibit 2*) BAM Re was spun off of BAM in June 2021 by way of a special dividend to Brookfield shareholders. (*Trans. at 19*) BAM Re, through its subsidiaries, provided primarily annuity-based reinsurance solutions to insurance and reinsurance companies and acts as a direct issuer of pension risk transfer products for pension plan sponsors. While BAM Re is a publicly traded company on the New York Stock Exchange and Toronto Stock Exchange, BAM Re is controlled by the BAM Re Trust, which has the right to appoint half of the members of BAM Re’s Board of Directors at all times. BAM Re Trust is controlled by its trustee, BAM Re Trustee. BAM Re Trustee in turn is controlled by Partners BK and Partners FC Ltd, which are also the majority beneficiaries of BAM Re Trust. Partners BK is controlled by Brian Kingston. (*Exhibit 1; Exhibit 2*) Mr. Kingston is a Managing Partner and Chief Executive Officer of BAM’s real estate group and Brookfield Property Partners.<sup>2</sup> Partners FC Ltd. is wholly owned by Partners FC Inc., which is controlled by James Bruce Flatt. (*Exhibit 1; Exhibit 2*) Mr. Flatt is the Chief Executive Officer of BAM, a global alternative asset manager with approximately \$650 billion in assets under management.<sup>3</sup>

Facts in the record indicate that these ultimate controlling persons as well as the directors and officers of BAM and the Domestic Insurers post-closing<sup>4</sup> are experienced and competent based upon their current experience in the insurance and asset management industries as well as general corporate governance and business operations. (*Trans. at 25–26; Exhibit 1; Exhibit 2*) Biographical affidavits for each director and executive officer of the Applicants were submitted to the Division. (*Exhibit 2*)

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

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<sup>2</sup> Brookfield, Brian Kingston, <https://www.brookfield.com/about-us/leadership/brian-kingston> (last accessed Dec. 10, 2021).

<sup>3</sup> Brookfield, *Bruce Flatt*, <https://www.brookfield.com/about-us/leadership/bruce-flatt> (last accessed Dec. 10, 2021).

<sup>4</sup> With the exception of the appointment of Sachin Shah as North End Re’s representative on the AEL Holdco Board of Directors, which occurred in November 2020, there will be no change in the existing directors or senior executive officers of AEL Holdco or the Domestic Insurers as a result of the proposed transaction. (*Trans. at 26; Exhibit 1; Exhibit 2*)

6. The Applicants' acquisition of control of the Domestic Insurers, 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 5, and the testimonies of Mr. Blattman, Ms. Hatlelid, and Mr. Bhalla, the Commissioner finds that the Applicants' acquisition of control of the Domestic Insurers, 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 the witnesses called at the public hearing, 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 Insurers, 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 Insurers should be approved.

## ORDER

**IT IS ORDERED** that:

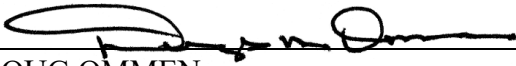
The application of North End Re (Cayman) SPC, BAM Re Holdings Ltd., Brookfield Asset Management Reinsurance Partners Ltd., BAM Re Partners Trust, BAM Re Trustee Ltd., Partners FC Ltd., Partners FC Inc., Partners BK Ltd., Brian Kingston, and James Bruce Flatt for approval of the acquisition of control of American Equity Investment Life Insurance Company and Eagle Life Insurance Company, each an Iowa domestic insurer, is **APPROVED** subject to the following condition:

1. The Class C Shareholder of BAM Re and its controlling persons shall file an application for acquisition of control of the Domestic Insurers under Iowa Code section 521A.3 with the Division and the Commissioner prior to exercising any liquidation and/or redemption rights of the Class C Shareholder or otherwise obtaining control of the Domestic Insurers.

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 27th day of December, 2021.

  
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DOUG OMMEN  
Commissioner of Insurance

Copies to:

Mark C. Dickinson, Nyemaster Goode, P.C.

E. Drew Dutton and Nicholas F. Potter, Debevoise & Plimpton LLP

Phyllis Zanghi, American Equity Investment Life Insurance Company and Eagle Life Insurance Company