

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

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

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 (2022), on December 7, 2022, the undersigned Commission heard an application for approval of a Plan of Merger between HERITAGE MUTUAL INSURANCE ASSOCIATION (“Heritage Mutual”) of Preston, Iowa, an Iowa domiciled state mutual insurance association with IOWA RIVER MUTUAL INSURANCE ASSOCIATION (“Iowa River Mutual”) of Eldora, Iowa, an Iowa domiciled state mutual insurance association.

The Commission reviewed the Plan of Merger to be effective the later of January 1, 2023 or the date the Commission approves the Plan of Merger. If the Plan of Merger is approved, Iowa River Mutual will merge with and into Heritage Mutual. Upon completion of the merger, Heritage Mutual will be the surviving corporation and Iowa River Mutual will cease to exist.

The Commission notes that Heritage Mutual and Iowa River 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 (2022).

III. FINDINGS OF FACT

Iowa Code section 521.8 (2022) 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 Iowa River Mutual will merge with and into Heritage Mutual the later of January 1, 2023 or the date the Commission approves the Plan of Merger. The merged entity will continue to do business as Heritage Mutual. All policies issued by Iowa River Mutual which are outstanding on the effective date of the Plan of Merger will be assumed by Heritage Mutual. Heritage Mutual will, post-merger, possess the combined assets, liabilities and obligations held by Iowa River Mutual and Heritage Mutual prior to the merger. Upon completion of the Plan of Merger, Heritage Mutual will be the surviving corporation and Iowa River Mutual will be merged into Heritage Mutual, thereby ceasing to exist.

Under this record, the Commission finds that the interests of Iowa River Mutual and Heritage 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 between Iowa River Mutual and Heritage Mutual meets the two requirements of Iowa Code section 521.8, and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

Heritage Mutual's application for approval of its Plan of Merger with Iowa River Mutual is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2022). 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 7th day of December, 2022.

DOUG OMMEN
Iowa Insurance Commissioner

THOMAS J. MILLER
Iowa Attorney General

/s/

/s/

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