

**APPLICATION FOR APPROVAL
OF STOCK OFFERING**

BY

**HOMESTEADERS LIFE MUTUAL HOLDING
COMPANY**

Filed with the Iowa Insurance Division

Dated: September 30, 2024

Name, Title, Address and Telephone Number of Individual to Whom Notices and
Correspondence Concerning this Application Should Be Addressed:

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INTRODUCTION

Homesteaders Life Mutual Holding Company (“HLMHC” or the “Applicant”) currently owns 100% of the common stock of Homesteaders One HoldCo, Inc., an Iowa corporation (“One HoldCo”), which in turn owns 100% of Homesteaders Life Company. This application (this “Application”) seeks the approval of the Commissioner of Insurance for the State of Iowa for the Applicant’s plan to issue common stock. The Application seeks to enter into a conversion transaction (the “Proposed Conversion”) pursuant to which Preferred Shares issued by One HoldCo to SFG Tenura, a subsidiary of Sammons Financial Group (“SFG”), as well as all amounts owing under surplus notes issued by Homesteaders Life Company to Midland National Life Insurance Company and North American Company for Life and Health Insurance (affiliates of SFG), would convert into (or be exchanged for) shares of Common Stock of One HoldCo. After the Proposed Conversion, HLMHC would still own a majority of the common stock of One HoldCo. As this Proposed Conversion is a private transaction, no broader stock offering is contemplated.

HLMHC previously made a confidential filing, dated as of September 30, 2024 (the “Confidential Filing”), with the Iowa Insurance Division (the “Division”) relating to a series of transactions resulting in the conversion of certain equity in One HoldCo, Inc. held by SFG, as set forth in further detail in the Confidential Filing and in the Subscription Agreement attached confidentially thereto as Exhibit A and the Letter Agreement attached confidentially thereto as Exhibit B. At the request of the Division, the Applicant is providing this Application to serve as the public version of the Confidential Filing. The Confidential Filing included an introduction setting forth the specific terms and conditions of the Proposed Conversion and is incorporated herein by reference.

The Commissioner has jurisdiction over this Application pursuant to Iowa Code section 521A.14(1)(a). The Applicant asserts that certain of its submissions are confidential and exempt from disclosure pursuant to Section 521A.7 and Section 22.7(3) of the Iowa Code and Iowa Admin. Code 191-2.12(1).

Item 1. A description of the stock intended to be offered by the applicant, including a description of all shareholder rights.

As set forth more fully in the Confidential Filing, the shareholder rights of SFG as relates to the equity held in One HoldCo after the Proposed Conversion would continue to be as set forth under applicable law, the governing documents of One HoldCo, and in the agreement attached confidentially to the Confidential Filing as Exhibit C.

Item 2. The total number of shares authorized to be issued, the estimated number the applicant requests permission to offer, and the intended date or range of dates for the offer.

As set forth in further detail in the Confidential Filing, after the consummation of the Proposed Conversion, SFG would own a minority equity interest in One HoldCo and HLMHC would own a majority equity interest in One HoldCo. Issuance of any additional shares in One HoldCo would be by separate action and are not a part of this Application. As the Proposed Conversion is a private transaction and no broader offering is contemplated, there are no intended dates or ranges of dates for an offering.

Item 3. A justification for a uniform planned offering price or a justification of the method by which the offering price will be determined.

As set forth in further detail in the Confidential Filing, the valuation for the Proposed Conversion was based on factors as determined by a third party, as further detailed in the Valuation and Methodology Memorandum attached confidentially to the Confidential Filing as Exhibit D.

Item 4. The name or names of any underwriter, syndicate member or placement agent involved and, if known, the name or names of each entity, person, or group of persons to whom the stock offering is to be made who will control 5 percent of the total outstanding class of shares, and the manner in which the offer is to be tendered. If any such entity or person is a corporation or business organization, the name of each member of its board of directors or equivalent management team shall be provided along with the name of each member of the board of directors of the offeror. Copies of any filings with the Securities and Exchange Commission disclosing intended acquisitions of the stock shall be included in the application.

No underwriter, syndicate member or placement agent has been or will be involved in the Proposed Conversion. The name and board of directors of each entity involved in the Proposed Conversion are set forth in the Confidential Filing.

Item 5. A description of stock subscription rights to be afforded members of the mutual insurance holding company in conjunction with the stock offering.

As set forth in further detail in the Confidential Filing, the Proposed Conversion does not involve any broader offering of equity. As such, no stock subscription rights will be afforded members of HLMHC as a result of the Proposed Conversion.

Item 6. A detailed description of all expenses to be incurred in conjunction with the stock offering.

As set forth in further detail in the Confidential Filing, the Proposed Conversion will result in minimal expenses that are typical for this type of transaction.

Item 7. An explanation of how funds raised by the stock offering are to be used.

As set forth in further detail in the Confidential Filing, the Proposed Conversion involves only a conversion of existing investment vehicles.

Item 8. Compliance with the provisions set forth in IA A.D.C. § 191-46.10(3).

IA A.D.C. § 191-46.10(3) lists a number of provisions that are to be included in a planned stock offering. Such provisions are set out below along with explanations as to how the Proposed Conversion includes such provisions or how such provisions are not applicable to the Proposed Conversion.

- (a) No application regarding a planned stock offering shall be approved unless it contains a provision prohibiting officers, directors, and insiders of the mutual insurance holding company and its subsidiaries and affiliates from purchase or ownership of shares of the stock offering, or issuance of stock options to or for the benefit of such officers, directors and insiders, for a period of at least six months following the first date the offering was publicly and regularly traded.**

As set forth in further detail in the Confidential Filing, this requirement is addressed by the structure of the Proposed Conversion.

- (b) No application regarding a planned stock offering shall be approved unless it contains a provision requiring a majority of the members of the board of directors of the mutual insurance holding company to be persons who are not interested persons of the mutual**

insurance holding company or of an affiliated person of such company.

HLMHC already meets the applicable requirements.

- (c) **No application regarding a planned stock offering shall be approved unless it contains a provision for the mutual insurance holding company to adopt articles of incorporation prohibiting any waiver of dividends from stock subsidiaries except under conditions specified in its articles of incorporation and after approval of the waiver by the board of directors of the mutual insurance holding company and the commissioner.**

HLMHC already meets the applicable requirements.

- (d) **No application regarding a planned stock offering shall be approved unless it requires that, after the initial stock offering by an insurance company subsidiary of a mutual insurance holding company, an intermediate holding company subsidiary of a mutual insurance holding company, or an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company, the boards of directors of each such insurance company or intermediate holding company include at least three directors who are not interested persons of the mutual insurance holding company.**

HLMHC already meets the applicable requirements.

- (e) **No application regarding a planned stock offering shall be approved unless it contains a provision establishing, within the board of directors of the corporation offering stock, a pricing committee consisting exclusively of directors who are not interested persons whose responsibility is to evaluate and approve the price of any stock offering.**

As set forth in further detail in the Confidential Filing, a pricing committee is not applicable in connection with this Application or the Proposed Conversion.

Item 9. Exhibits.

All exhibits referenced in this Application are itemized below:

Exhibit A – Subscription Agreement (Confidential)

Exhibit B – Letter Agreement (Confidential)

Exhibit C – [agreement] (Confidential)

Exhibit D – [valuation] (Confidential)