

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

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In re the application of	)	
DANISH MUTUAL INSURANCE	)	
ASSOCIATION (Co. # 0131)	)	
for approval of a Plan of Merger	)	<b>FINDING OF FACT,</b>
with SOUTH CENTRAL MUTUAL	)	<b>CONCLUSION OF LAW,</b>
ASSOCIATION (Co. # 0102)	)	<b>AND ORDER</b>
	)	(Iowa Code sections 521.5 & 521.8)

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**I. INTRODUCTION**

Pursuant to Iowa Code sections 521.5 and 521.8 (2011), on June 27, 2012 the undersigned Commission heard an application for approval of a Plan of Merger between DANISH MUTUAL INSURANCE ASSOCIATION (“Danish Mutual”), an Iowa domiciled state mutual insurance association organized under Iowa Code chapter 518A and SOUTH CENTRAL MUTUAL ASSOCIATION (“South Central”), an Iowa domiciled county mutual insurance association organized under Iowa Code chapter 518. Both Danish Mutual and South Central are licensees in good standing with the Iowa Insurance Division (“Division”), and have current financial statements on file with the Division.

If the merger is approved, South Central will merge with and into Danish Mutual effective July 1, 2012. Upon completion of the merger, Danish Mutual will be the surviving corporation and continue its corporate existence under the laws of the state of Iowa under the name “Danish Mutual Insurance Association.”<sup>1</sup> On the effective date, the separate existence of South Central shall cease.

**II. JURISDICTION**

The Commission has jurisdiction over this proceeding under Iowa Code sections 521.2, 521.3, 521.4, 521.5, and 521.8 (2011).

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<sup>1</sup> This transaction will not result in a change of control of Danish Mutual Insurance Association.

### **III. FINDINGS OF FACT**

Iowa Code section 521.8 (2011) 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.

Under the Plan of Merger, the separate existence of South Central will cease and it will merge with and into Danish Mutual with Danish Mutual being the surviving entity.

The Plan of Merger provides that on the effective date of the merger (July 1, 2012), South Central's existing members' rights and interests in South Central shall be transferred to Danish Mutual and the members shall have member rights and interests in Danish Mutual. The merger will not result in any change in the rights or privileges of current members of Danish Mutual.

All policies issued by South Central before the effective date of the merger shall remain in effect and all policy (contractual) rights shall remain the same.

The Plan of Merger has been authorized and approved by the boards of directors of both South Central and Danish Mutual. South Central's members voted to approve the merger during a special policyholder member meeting on May 31, 2012.

The Commission finds that the respective interests of South Central and Danish Mutual policyholders are properly protected under the Plan of Merger. The Commission further finds that no reasonable objection to 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 521.5 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 South Central and Danish Mutual meets the two requirements of Iowa Code section 521.8, and should be approved.

**ORDER**

**IT IS THEREFORE ORDERED** that the Plan of Merger is **APPROVED** subject to the following condition:

On or before August 30, 2012, a final statutory financial statement of South Central shall be filed with the Commissioner as of June 30, 2012.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2011). 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 27<sup>th</sup> day of June 2012.

SUSAN E. VOSS  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General

/s/

/s/

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