

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

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In re the application of DMC MUTUAL	)	<b>FINDING OF FACT, CONCLUSIONS OF LAW, AND ORDER</b>
INSURANCE ASSOCIATION	)	
for approval of a Plan of Merger with	)	
VAN BUREN MUTUAL INSURANCE	)	
ASSOCIATION	)	
	)	(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 December 24, 2012, the undersigned Commission heard an application for approval of a Plan of Merger between DMC MUTUAL INSURANCE ASSOCIATION (“DMC Mutual”) of Mediapolis, Iowa, an Iowa domiciled state mutual insurance association organized under Iowa Code chapter 518A and VAN BUREN MUTUAL INSURANCE ASSOCIATION (“Van Buren Mutual”) of Keosauqua, Iowa, an Iowa domiciled county mutual insurance association organized under Iowa Code chapter 518. Both DMC Mutual and Van Buren Mutual are licensees in good standing with the Iowa Insurance Division (“Division”), and have current financial statements on file with the Division.

If the Plan of Merger is approved, Van Buren Mutual will merge with and into DMC Mutual effective January 1, 2013. Upon the effective date of the merger, DMC Mutual will be the surviving corporation and Van Buren Mutual will cease to exist.

**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).

**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 Van Buren Mutual will cease and it will merge with and into DMC Mutual with DMC Mutual being the surviving entity. The Plan of Merger provides that on the effective date of the merger (January 1, 2013), Van Buren Mutual existing members’ rights and interests in Van Buren Mutual shall be transferred to DMC Mutual and the members shall have member rights and interests in DMC Mutual. The merger will not result in any change in the rights or privileges of current members of DMC Mutual.

All policies issued by Van Buren Mutual 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 Van Buren Mutual and DMC Mutual. Van Buren Mutual's members voted to approve the merger during a special policyholder member meeting on December 15, 2012.

The Commission finds that the interests of Van Buren Mutual and DMC Mutual 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 Van Buren Mutual and DMC Mutual meets the two requirements of Iowa Code section 521.8, and should be approved.

**ORDER**

**IT IS THEREFORE ORDERED** that:

DMC Mutual Insurance Association's application for approval of its Plan of Merger with Van Buren Mutual Insurance Association is **APPROVED effective January 1, 2013** subject to the following conditions:

1. Agreements submitted to the Commission in support of the application herein shall not be amended without the prior written approval of the Iowa Insurance Commissioner ("Commissioner").
2. From the date of this Order to the effective date of the merger, Van Buren Mutual Insurance Association shall submit any expenses or series of expenses over \$500 for approval by the Commissioner prior to payment.
3. On or before March 1, 2013, Van Buren Mutual Insurance Association's annual statement as of December 31, 2012, shall be filed with the Commissioner.
4. On or before March 1, 2013, DMC Mutual Insurance Association's annual statement as of December 31, 2012, shall be filed with the Commissioner.
5. Payments to Mike Woodruff, Secretary of Van Buren Mutual Insurance Association, shall not exceed the previously disclosed \$3,300 per month consulting fees for the months of January and February 2013.

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.

Dated this 24<sup>th</sup> day of December 2012.

SUSAN E. VOSS  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General

\_\_\_\_\_/s/\_\_\_\_\_  
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Deputy Commissioner of Insurance

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