

In the Matter of
CUNA Mutual Insurance Society

STIPULATION AND ORDER

Respondent.

Case No. 07-C30675

WHEREAS, CUNA Mutual Insurance Society, 5910 Mineral Point Road, Madison, Wisconsin 53701 (the "Respondent"), is a Wisconsin domiciled mutual life insurance company; and

WHEREAS, the Respondent, and its wholly-owned subsidiaries, CUMIS Insurance Society, Inc., a Wisconsin domiciled stock property and casualty insurance company, and MEMBERS Life Insurance Company, a Wisconsin domiciled stock life insurance company (together, the "Subsidiaries"), each filed with the Office of the Commissioner of Insurance (the "Commissioner") a request to transfer its respective state of domicile from the State of Wisconsin to the State of Iowa pursuant to s. 611.223 (2), Wis. Stats., and to become a foreign insurer in the State of Wisconsin under ch. 618., Wis. Stats. (the "Change in Domicile Requests"); and

WHEREAS, the Change in Domicile Request of the Respondent raised as a potential future strategic option under certain limited circumstances the possibility of demutualization and/or restructuring under a mutual holding company plan ("structural changes"); and

WHEREAS, differences between state laws governing these structural changes were identified; and

WHEREAS, the Respondent has represented that it has no current plan or intention to demutualize, restructure under a mutual holding company or any combination thereof; and

WHEREAS, the Respondent and the Commissioner have agreed to certain terms and conditions in conjunction with the Commissioner's approval of the Respondent's and the Subsidiaries' Change in Domicile Requests; and

WHEREAS, upon any subsequent approval of the Change in Domicile Requests, the Respondent would remain subject, as a foreign insurer and as set forth in paragraphs 1, 2 and 3 below, to the jurisdiction of the Commissioner.

NOW, THEREFORE, the Respondent hereby agrees as follows:

(1) Any demutualization plan, including a demutualization of a mutual holding company, that it, or a mutual holding company proposes, shall not provide for consideration payable in exchange for policyholders' membership interests to be determinable pursuant to the methods described in either sec.508B.3, subsection 2 (regarding the use of closed blocks) or sec. 508B.3, subsection 3 (regarding the use of liquidating accounts) of the Iowa statutes or any new or successor statute permitting the use of closed blocks and/or liquidating accounts in a demutualization plan. Any such demutualization plan shall provide for distribution of the value of the converting corporation to eligible policyholders or mutual holding company members based on a formula which fairly reflects the eligible policyholders' or members' equitable interests in the company and shall not require eligible policyholders or members to subscribe

for or otherwise pay to receive stock or other consideration allocable to them upon the extinguishment of their policyholder or membership interests. This paragraph does not apply to a plan of conversion submitted to a policyholder vote after December 31, 2020.

(2) Any demutualization plan, including a demutualization of a mutual holding company will include, and provide for enforcement of, a limit on acquisition of stock by directors and officers, and persons acting in concert with them, as described in s. 611.76 (4) (f) or 644.25 (2) (b) 10, Wis. Stats.; provided that any voting stock acquired by directors and officers through a company benefit plan or stock option plan that is generally available to non-management, non-represented employees on a non-discriminatory basis would not be subject to this ownership restriction. This paragraph does not apply to a plan of conversion submitted to a policyholder vote after December 31, 2011 or, in any event, to stock issued after December 31, 2016.

(3) Any plan for conversion to a Mutual Holding Company will include, and provide for enforcement of, a limit on the direct or beneficial ownership of voting stock by its directors, officers and other members of management as described in s. 644.13, Wis. Stats.; provided that any voting stock acquired by directors and officers through a company benefit plan or stock option plan that is generally available to non-management, non-represented employees on a non-discriminatory basis would not be subject to this ownership restriction. This paragraph does not apply to a plan of conversion submitted to a policyholder vote after December 31, 2011 or, in any event, to stock issued after December 31, 2016.

(4) The policyholder vote regarding the amendment of its Articles relating to the Respondent's Change in Domicile Request will take place through a balloting process and will not include the use of proxies.

(5) The Respondent shall provide the Commissioner with advance copies of all policyholder notification and disclosure statements included with the policyholder ballot, which shall be subject to the Commissioner's disapproval and any such disapproval shall be timely provided. The Respondent agrees to include a clear description in these documents of all material differences between policyholder rights under Iowa law and Wisconsin law under a plan of demutualization or conversion to a mutual holding company.

(6) This Stipulation is made without reservation and constitutes a waiver of rights including a hearing, confrontation and cross-examination of witnesses, production of evidence, making a motion for costs, and judicial review. The Respondent consents to the Order.

2/7/07

Date

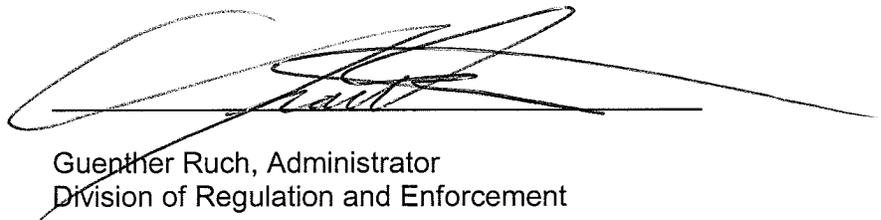


Jeff Post, President and Chief Executive Officer
CUNA Mutual Insurance Society

FAP

2/8/07

Date



Guenther Ruch, Administrator
Division of Regulation and Enforcement

NOW, THEREFORE, based upon consideration of the stipulation on this matter, I hereby Order that:

(7) The Respondent shall comply with its agreements as recited in this Stipulation.

Dated at Madison, Wisconsin, this 8th day of February.



Sean Dilweg
Commissioner of Insurance