

**FORM A**

**STATEMENT REGARDING THE ACQUISITION OF CONTROL  
OF OR MERGER WITH A DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance,  
State of Wisconsin

**IDS PROPERTY CASUALTY INSURANCE COMPANY**

**AMERIPRISE INSURANCE COMPANY**

by

**AMERICAN FAMILY INSURANCE MUTUAL HOLDING COMPANY**

Dated: April 12, 2019

Name, Title, Address and Telephone Number of Individual(s) to Whom Notices and  
Correspondence Concerning this Statement Should Be Addressed:

David C. Holman  
Chief Strategy Officer and Secretary  
American Family Insurance Mutual Holding Company  
6000 American Parkway  
Madison, Wisconsin 53783  
(608) 249-2111

*With Copies to:*

Anne E. Ross  
Foley & Lardner LLP  
150 E. Gilman Street  
Madison, WI 53703  
(608) 258-4218

Thomas R. Hrdlick  
Foley & Lardner LLP  
777 E. Wisconsin Ave.  
Milwaukee, WI 53202  
(414) 297-5812

## ITEM 1. INSURERS AND METHOD OF ACQUISITION

The names and addresses of the domestic insurers to which this application (the “Form A”) relates are as follows:

### **IDS Property Casualty Insurance Company**

3500 Packerland Drive  
De Pere, WI 54115-9070

### **Ameriprise Insurance Company**

3500 Packerland Drive  
De Pere, WI 54115-9070

IDS Property Casualty Insurance Company (“IDS”) and Ameriprise Insurance Company (“AIC”) are both stock insurance companies domiciled in Wisconsin. AIC is a direct, wholly-owned, subsidiary of IDS. AIC and IDS are referred to collectively in this Form A as the “Domestic Insurers”. Ameriprise Financial, Inc., (“Seller”) owns 100% of the issued and outstanding capital stock of IDS, which owns 100% of the issued and outstanding capital stock of AIC.

The applicant, and acquiring party, in this transaction is American Family Insurance Mutual Holding Company (“AFIMHC”) acting through its indirect, wholly-owned subsidiary, AmFam, Inc. (“AmFam”) (collectively, the “Applicant” or “Applicants”). AFIMHC is a Wisconsin mutual insurance holding company and is the ultimate and direct controlling entity to multiple domestic and foreign insurers specified in Exhibit 2(c)(i). AmFam is a Wisconsin stock corporation.

Subject to the receipt of all required regulatory approvals, including the approval of the transaction contemplated in the Purchase Agreement by the Wisconsin Office of the Commissioner of Insurance (the “Commissioner”), AFIMHC intends to acquire control of the Domestic Insurers by indirectly acquiring 100% of the issued and outstanding capital stock of IDS (the “Proposed Acquisition”) pursuant to the terms of that certain Stock Purchase Agreement dated April 1, 2019, by and between Seller and AmFam (the “Purchase Agreement”). A true and correct copy of the Purchase Agreement (with exhibits) is attached hereto as Exhibit 1(a), is submitted under confidential seal, and is hereby incorporated into this Form A by this reference. A true and correct copy of the Disclosure Schedules to the Purchase Agreement is attached hereto as Exhibit 1(b) and is submitted under confidential seal.

As a result of the Proposed Acquisition, the Applicants will acquire the power to exercise, directly or indirectly, all voting rights in the governance of the Domestic Insurers, as well as IDS’ agency subsidiary Ameriprise Auto & Home Insurance Agency, Inc. The specific terms and conditions governing the Proposed Acquisition are set forth in the Purchase Agreement, but subject to those specific terms and conditions, the material terms of the Purchase Agreement are summarized as follows (terms not defined in the summary below shall have the meanings ascribed to them in the Purchase Agreement):

- i. At the time the Agreement was signed, there were 2,000,000 shares of capital stock of IDS issued and outstanding, all of which was voting, common stock with a par value of \$2.50 per share (the “Shares”).
- ii. At the closing of the Proposed Acquisition (the “Closing Date”), the Applicants will acquire all of the Shares, representing all of the issued and outstanding capital stock of IDS at the time of closing, and will thereby acquire control of IDS and its wholly-owned subsidiaries: AIC and Ameriprise Auto & Home Insurance Agency, Inc.
- iii. As consideration for the Proposed Acquisition, and subject to the terms and conditions of the Purchase Agreement, AmFam will pay to Seller an aggregate cash purchase price in an amount equal to (i) One Billion Fifty Million and 00/100 Dollars (\$1,050,000,000.00) (ii) plus (if positive) or less (if negative) the absolute value of the sum of (A) the Adjusted Statutory Net Worth as of the Net Worth Statement Time, less (B) Seven Hundred and Sixty-Nine Million Nine Hundred and Eighty-Nine Thousand One Hundred and Sixty-One and 00/100 Dollars (\$769,989,161) (the “Purchase Price”).
- iv. The procedure for determining and paying the Purchase Price is as follows: No later than four (4) Business Days prior to the anticipated Closing Date, Seller shall deliver to AmFam a statement (the “Estimated Net Worth Statement”) setting forth Seller’s (i) calculation of the estimated amount of the Adjusted Statutory Net Worth as of the Net Worth Statement Time, and (ii) calculation of the estimated Purchase Price as of the Net Worth Statement Time (the “Closing Purchase Price”). At the Closing, AmFam will deliver the Closing Purchase Price by wire transfer of immediately available funds to an account or accounts designated by Seller in writing. No later than ninety (90) days after the Closing Date, AmFam shall prepare and deliver to Seller a statement (the “Closing Net Worth Statement”) setting forth (i) a calculation of the amount of the Adjusted Statutory Net Worth as of the Net Worth Statement Time, and (ii) a calculation of the Purchase Price as of the Net Worth Statement Time. Once the Final Purchase Price is determined, either through the agreement of the parties or through a dispute resolution procedure set forth in Section 2.3(b) of the Purchase Agreement, the difference between the Final Purchase Price and the Closing Purchase Price (if any) shall be paid or refunded (as the case may be).
- v. The Purchase Agreement contains representations and warranties by the parties, and imposes certain pre-closing covenants and post-closing indemnification obligations on the parties, in each case that are either customary for acquisitions of this nature or otherwise suitable for the Proposed Acquisition.
- vi. The closing of the Proposed Acquisition is subject to closing conditions that are either customary for acquisitions of this nature or otherwise suitable for this particular Proposed Acquisition, including, without limitation, conditions relating to the receipt of regulatory approvals, accuracy at the Closing Date of certain representations and warranties made in the Purchase Agreement, compliance with pre-closing covenants, the absence of any Company Material Adverse Effect, and the delivery of certain closing documentation.

- vii. The parties would prefer to be in a position to close the Proposed Acquisition on October 1, 2019. The Purchase Agreement provides that the Closing will not occur until the earlier of (i) the HR Conversion or (ii) October 1, 2019. Thereafter, the Proposed Acquisition will be closed either (i) on the first Business Day of the month immediately following the date on which the last of the closing conditions (other than those conditions that by their terms are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions at such time) are satisfied or waived by the party entitled to waive the same, including the approval of the Proposed Acquisition by the Commissioner; provided, however, that if the date the last of the closing conditions is satisfied or waived is less than three (3) Business Days prior to the first Business Day of the month, then the Closing shall take place on the first Business Day of the second following month, or (ii) in, at or on such other manner, location, and/or date as Seller and Purchaser may mutually agree in writing.
- viii. Pursuant to Section 5.10 of the Purchase Agreement, almost all of the intercompany agreements between the Domestic Insurers and the Seller or subsidiaries of the Seller (other than those between IDS and its subsidiaries AIC and Ameriprise Auto & Home Insurance Agency, Inc., which are also being acquired as part of the Proposed Acquisition), will be automatically terminated pursuant to their terms at Closing. Because those agreements are being terminated pursuant to their terms, no pre- or post-termination notice filing is required under Wisconsin Administrative Code § 40.04(2). However, the following agreements do not expressly allow for automatic termination or termination by mutual written consent and thus are being terminated outside of the express terms of the agreements as filed:
- That certain Investment Management and Services Agreement between Ameriprise Financial, Inc., on behalf of itself and its affiliates, and RiverSource Investments, LLC (n/k/a Columbia Investment Advisors, LLC (“CMIA”)), dated October 1, 2005, as amended from time to time, including as amended by that certain Eleventh Amendment, dated July 21, 2017, incorporating IDS Property Casualty Insurance Company as an Account under the agreement, and as amended by that certain Fifteenth Amendment, dated June 26, 2018, incorporating the Ameriprise Insurance Company as an Account under the agreement;
  - That certain Investment Management and Services Agreement between Ameriprise Insurance Company and CMIA, dated January 1, 2006; and
  - That certain Service and Cost Allocation Agreement between IDS, Ameriprise Financial, Inc., Ameriprise Financial Services, Inc., and Ameriprise Advisor Services, Inc., dated April 21, 2006, as amended on April 30, 2009.

We therefore ask the Commissioner to include in his Form A approval recognition that the notice of those terminations provided by means of this Form A is sufficient to fulfill the notice requirement contained in Wisconsin Administrative Code § 40.04(2) as to those terminations.

## ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

### (a) *The Applicants*

The name and address of the Applicants are as follows:

American Family Insurance Mutual Holding Company  
6000 American Parkway  
Madison, Wisconsin 53783

AmFam, Inc.  
6000 American Parkway  
Madison, Wisconsin 53783

### (b) *The Applicants' Business Operations*

AFIMHC is a Wisconsin mutual insurance holding company incorporated under Chapter 644 of the Wisconsin Statutes on January 1, 2017, in connection with the simultaneous conversion of American Family Mutual Insurance Company, S.I. ("AFMICSI") from a Wisconsin domestic mutual insurance company to a Wisconsin stock insurance company that is an indirect, wholly-owned subsidiary of AFIMHC. AFIMHC's principal business is to operate as the ultimate parent and mutual holding company for purposes of owning, directly or indirectly, the issued and outstanding shares of capital stock of, or otherwise controlling, its direct and indirect downstream subsidiaries and/or affiliates ("AFIMHC Affiliated Companies"). AFIMHC is ultimately controlled by its various members, consisting of all of the policyholders of AFMICSI, American Standard Insurance Company of Ohio, American Family Insurance Company, NGM Insurance Company, and certain policyholders of MSA Insurance Company. AmFam is a Wisconsin stock corporation and a direct wholly-owned subsidiary of AFMICSI, and its only business is serving as an intermediate stock holding corporation for several of AFIMHC's downstream insurance and non-insurance subsidiaries.

The principal business of the AFIMHC Affiliated Companies is, and after the Proposed Acquisition shall continue to be, the underwriting and issuance of insurance coverage. AFMICSI, a wholly-owned subsidiary of AmFam Holdings, Inc., which in turn is a wholly-owned subsidiary of AFIMHC, has been underwriting insurance since 1927 and, together with the other AFIMHC Affiliated Companies, is the thirteenth-largest property and casualty insurance group in the U.S. The AFIMHC Affiliated Companies offer personal lines auto, home, life and annuity policies, as well as commercial lines business, farm and ranch insurance, in all 50 states and the District of Columbia. AFIMHC and/or its affiliates employ more than 11,300 full-time equivalent employees and, as of December 31, 2018, have approximately \$27.5 billion in aggregate assets under management and approximately \$9.0 billion in group equity (determined on a GAAP basis).























