



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tony Evers, Governor
Mark V. Afable, Commissioner

Wisconsin.gov

August 20, 2019

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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ms. Anne E. Ross
Foley & Lardner LLP
150 East Gilman Street, Suite 1500
Madison, Wisconsin 53703-1482

Re: Case No. 19-C43066

Dear Ms. Ross:

Enclosed is a copy of the Proposed Decision, including findings of fact and conclusions of law.

In accordance with s. 227.46 (2), Wis. Stat., the Commissioner of Insurance is providing an opportunity for you to submit any written objections and arguments that you may have regarding the Proposed Decision, findings of fact, or conclusions of law. Each objection and argument should be brief and include the reasons and authorities for it. If you wish to make objections and arguments, send them in writing to Nathan D. Houdek, Deputy Commissioner of Insurance, State of Wisconsin, P. O. Box 7873, Madison, Wisconsin 53707-7873, within 30 days after the date of this letter.

When the Final Decision is issued, any appeal to circuit court for review must be served on the Commissioner of Insurance, 125 South Webster Street, Madison, Wisconsin 53703.

If you have any questions concerning any of the foregoing, you may contact me at (608) 261-8562.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amy J. Malm'.

Amy J. Malm
Hearing Examiner

cc: David C. Holman (via e-mail only)
Thomas R. Hrdlick (via e-mail only)

AJM:SJJ
Enclosure

In the Matter of the Acquisition of Control of
IDS Property Casualty Insurance Company and
its Subsidiary Ameriprise Insurance Company by
American Family Insurance Mutual Holding Company and
AmFam, Inc.,

PROPOSED DECISION

Petitioners.

Case No. 19-C43066

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the

Commissioner of Insurance: Steven J. Junior, Insurance Program Manager
Elena V. Vetrina, Insurance Financial Examiner – Chief
Michael Mancusi-Ungaro, Insurance Financial Examiner –
Advanced
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioners:

Present in person

Anne E. Ross
Foley & Lardner LLP
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Madison, Wisconsin 53703-1482

Thomas R. Hrdlick
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-5306

David C. Holman, Chief Strategy Officer and Secretary
Daniel J. Kelly, Chief Financial Officer and Treasurer
Monica Groves, Government Affairs Counsel
American Family Insurance Mutual Holding Company
6000 American Parkway
Madison, Wisconsin 53783-0001

For the Seller:

Present in person

Patrick J. Lewis
Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, New York 10036

James R. DeBuse, Vice President – Group Counsel – Securities,
Finance and Corporate Development
Ameriprise Financial, Inc.
1099 Ameriprise Financial Center
Minneapolis, Minnesota 55474

Present by telephone

Brian J. McGrane
Executive Vice President – Finance
Ameriprise Financial, Inc.
10495 Ameriprise Financial Center
Minneapolis, Minnesota 55474

PRELIMINARY

Pursuant to a Notice of Hearing dated July 31, 2019, a hearing was held at 10:01 a.m. on August 20, 2019, to determine whether the Petitioners' application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

- (1) American Family Insurance Mutual Holding Company, a Wisconsin mutual holding company, and AmFam, Inc., an intermediate stock holding company (together, the "Petitioners") are located at 6000 American Parkway, Madison, Wisconsin 53783.
- (2) IDS Property Casualty Insurance Company and Ameriprise Insurance Company are stock insurance corporations organized under Chapter 611 of the Wisconsin Statutes that are licensed as a Wisconsin property and casualty insurers. Both insurers are located at 3500 Packerland Drive, De Pere, Wisconsin 54115-9070.
- (3) The Petitioners filed with the Office of the Commissioner of Insurance (the "Commissioner") an application for approval of its acquisition of control of IDS Property Casualty Insurance Company and Ameriprise Insurance Company. (the "plan").
- (4) The Petitioners were served with a Notice of Hearing.
- (5) The Petitioners fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.
- (6) The plan will not violate the law or be contrary to the interest of the insureds of IDS Property Casualty Insurance Company and Ameriprise Insurance Company.
- (7) After the acquisition of control, IDS Property Casualty Insurance Company and Ameriprise Insurance Company will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which they are presently licensed.
- (8) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.
- (9) The financial condition of American Family Insurance Mutual Holding Company and AmFam, Inc. are not likely to jeopardize the financial stability of IDS Property Casualty Insurance Company or Ameriprise Insurance Company, or to prejudice the interests of their Wisconsin policyholders.
- (10) There are no plans or proposals to liquidate the domestic stock insurance corporations, IDS Property Casualty Insurance Company or Ameriprise Insurance Company, or sell their assets, or to consolidate or merge them with any person or make any other material

change in its business or corporate structure or management other than as described in the plan.

(11) The competence and integrity of the persons who will control the operation of the domestic insurance corporations, IDS Property Casualty Insurance Company and Ameriprise Insurance Company, are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

(12) The notice of termination provided in the plan for the following intercompany agreements is sufficient to fulfill the notice requirements contained in s. 40.02 (2), Wis. Adm. Code, as to those terminations specifically: a) that certain Investment Management and Services Agreement between Ameriprise Insurance Company and Columbia Management Investment Advisers, LLC, dated January 1, 2006; b) that certain Investment Management and Services Agreement between IDS Property Casualty Insurance Company and RiverSource Investments, LLC (n/k/a Columbia Management Investment Advisers, LLC), dated October 1, 2005; and c) that certain Service and Cost Allocation Agreement between IDS, Ameriprise Financial, Inc., Ameriprise Financial Services, Inc., and Ameriprise Advisor Services, Inc., effective December 31, 2005, as amended on April 30, 2009.

PROPOSED CONCLUSION OF LAW

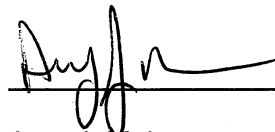
(13) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(14) The Petitioners' request for approval of the plan for acquisition of control should be approved.

Dated at Madison, Wisconsin, this 20th day of August, 2019.



Amy J. Malm
Hearing Examiner