

In the Matter of the Acquisition of Control
of Southern Life and Health Insurance Company
by C. Brent Haggard and Universal Fidelity Life Insurance Company,

PROPOSED DECISION

Petitioners.

Case No. 20-C43728

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the

Commissioner of Insurance: Steven J. Junior, Insurance Program Manager
Levi Olson, Insurance Financial Examiner – Chief
Division of Financial Regulation
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioners:

C. Brent Haggard and Universal Fidelity Life Ins. Co.
Jed Roher, Partner
Husch Blackwell LLP
33 East Main Street, Suite 300
Madison, Wisconsin 53703

C. Brent Haggard, Chairman, President and Chief Executive
Officer
Lori A. Hay, Senior Vice President, Enterprise Risk Management
and Chief Financial Officer
Kyle D. Conrad, General Counsel
Universal Fidelity Life Insurance Company
13931 Quail Pointe Drive
Oklahoma City, Oklahoma 73134

For the Seller and the
Company:

Geneve Holdings, Inc. and Honor Capital Corp.
William J. Toman, Partner
Quarles & Brady LLP
33 East Main Street, Suite 900
Madison, Wisconsin 53703

William Smith, Senior Vice President and General Counsel
Geneve Corporation
96 Cummings Point Road
Stamford, Connecticut 06902

Larry Graber, President
Southern Life and Health Insurance Company
402 Office Park Drive, Suite 101
Birmingham, Alabama 35223

PRELIMINARY

Pursuant to a Notice of Hearing dated September 18, 2020, a hearing was held by teleconference on or about 1:00 p.m. on October 12, 2020, 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) C. Brent Haggard, with a business address of 13931 Quail Pointe Drive, Oklahoma City, Oklahoma 73134, is a natural person resident in Oklahoma and Universal Fidelity Life Insurance Company, 13931 Quail Pointe Drive, Oklahoma City, Oklahoma 73134, is a stock a life, health, and accident insurer and third party administrator domiciled in Oklahoma (the Petitioners).

(2) Southern Life and Health Insurance Company, 402 Office Park Drive, Suite 101, Birmingham, Alabama 35223, is a Wisconsin domestic stock life, accident and health insurance corporation organized under Chapter 611 of the Wisconsin Statutes.

(3) The Petitioners filed with the Office of the Commissioner of Insurance an application for approval of the acquisition of control of Southern Life and Health Insurance Company (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 interests of the insureds of Southern Life and Health Insurance Company.

(7) After the acquisition of control, Southern Life and Health Insurance Company will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is 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 Universal Fidelity Life Insurance Company is not likely to jeopardize the financial stability of Southern Life and Health Insurance Company or to prejudice the interests of its Wisconsin policyholders.

(10) There are no plans or proposals to liquidate the domestic stock insurance corporation, Southern Life and Health Insurance Company, to sell its assets (other than investment portfolio transactions in the ordinary course of business), or to consolidate or merge it with any person or make any other material change in its business or corporate structure other than as described in the plan.

(11) The competence and integrity of the persons who will control the operation of the domestic stock insurance corporation, Southern Life and Health Insurance Company, are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

(12) 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.

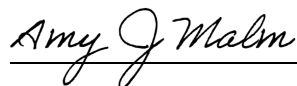
PROPOSED ORDER

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

(13) The Petitioners' request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- a. Southern Life and Health Insurance Company consents to a stipulation and order issued by the Office of the Commissioner of Insurance under s. 601.41, Wis. Stat., which shall be in a form substantially similar to that provided in Exhibit No. 35 in the record of this proceeding, within thirty (30) calendar days following the consummation of the acquisition of control.
- b. The preferred share redemption and other distributions specifically described in the plan for the acquisition of control of Southern Life and Health Insurance Company are hereby approved, subject to Southern Life and Health Insurance Company's distribution of all economic interests in its current subsidiaries and the consummation of the acquisition of control of Southern Life and Health Insurance Company by Universal Fidelity Life Insurance Company. The provisions of s. 617.21, Wis. Stat., and s. Ins 40.04 (2) (a), Wis. Adm. Code, shall govern, if applicable, any other share purchases, capital and surplus distributions, capital and surplus contributions and any dividends by Southern Life and Health Insurance Company.
- c. The revised Administration and Services Agreement included in the record of this proceeding as Exhibit No. 30D is hereby approved. Southern Life and Health Insurance Company shall file an executed copy of this agreement with the OCI within ten (10) calendar days of the consummation of the acquisition of control.

Dated at Madison, Wisconsin, this 12th day of October, 2020.



Amy J. Malm
Hearing Examiner