

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of the Merger of)
AMERICAN INVESTORS LIFE INSURANCE)
COMPANY with and into) Docket No. 4035-M
AVIVA LIFE AND ANNUITY COMPANY)

ORDER OF MERGER

NOW on this 28th day of August, 2009, the above matter comes before the Commissioner of Insurance of the State of Kansas (“Commissioner”).

American Investors Life Insurance Company, Inc. (“AIL”), a Kansas stock life insurance company has applied to merge with and into Aviva Life and Annuity Company (“ALAC”), an Iowa stock life insurance company, pursuant to K.S.A. 40-309.

AIL and ALAC are represented by their attorney, William W. Sneed, Polsinelli Shugart P.C. The Kansas Insurance Department is represented by John W. Campbell, General Counsel and Zachary J.C. Anshutz, Assistant General Counsel. Also appearing for the Kansas Insurance Department are Kenneth Abitz, Director of the Financial Surveillance Division, and Mark Owens, Principal Financial Analyst.

All parties are relying on documentary and contractual representations filed with the Kansas Insurance Department.

Pursuant to the authority granted to the Commissioner pursuant to K.S.A. 40-309, 40-3301 and 40-3304(d)(1) and in accordance with the Kansas Administrative Procedures Act, K.S.A. 77-501, *et seq.*, the Commissioner hereby asserts the following findings of fact, conclusions of law, and orders, as follows:

FINDINGS OF PUBLIC INTEREST AND POLICY

The purpose of filing the application was to obtain the approval of the Kansas Insurance Department for the proposed merger of AIL with and into ALAC. The terms and conditions of the proposed merger are fully set forth in the Agreement and Plan of Merger of AIL with and into ALAC (the “Agreement and Plan of Merger”).

Significant documents have been reviewed by representatives of the Financial Surveillance Division and the Legal Division of the Kansas Insurance Department, and the Commissioner of Insurance has had the benefit of their technical expertise and advice.

The Applicants have submitted the various Exhibits in the merger filing, including, but not limited to, a Merger Endorsement, a draft Agreement and Plan of Merger, written consent resolutions of the boards of directors and shareholders of AIL and ALAC, actuarial opinions, and financial statements.

The staff of the Kansas Insurance Department has inspected and reviewed the contents of the Agreement and Plan of Merger and related documents and found that the filing of the Agreement and Plan of Merger and related documents are in accordance with K.S.A. 40-309 and that the Agreement and Plan of Merger and related documents have provided all of the information required under Kansas law to enable the Commissioner of Insurance to render a decision on the proposed Agreement and Plan of Merger.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. AIL is a stock life insurance company organized and operating pursuant to the provisions of Article 4 of the Kansas Insurance Code, with its statutory office located in Topeka, Kansas. AIL has been authorized to transact business in Kansas since May 4, 1965.

2. ALAC is a stock life insurance company organized under the laws of Iowa on February 18, 1896, with its statutory office located in Des Moines, Iowa. ALAC has been authorized to transact business in Kansas since December 1, 1919.
3. Pursuant to K.S.A. 40-3304, a person proposing to enter an agreement to merge with any domestic insurance company shall file with the Commissioner of Insurance a statement containing the information required by K.S.A. 40-3304.
4. Pursuant to K.S.A. 40-309, an insurance company of this state may merge with any other company of any other state engaged in like business and having similar corporate powers. AIL and ALAC are engaged in like business and have similar corporate powers.
5. K.S.A. 40-309 will be applied in this matter. ALAC and any person or entities which directly or indirectly control ALAC are exempt from filing a Form A in accordance with K.S.A. 40-3304(e).
6. Pursuant to K.S.A. 40-309, on July 14, 2009, the boards of directors of ALAC and AIL, the sole shareholder of ALAC, and the sole stockholder of AIL each adopted resolutions approving the merger of AIL with and into ALAC.
7. ALAC and AIL filed an executed copy of the Agreement of Merger with the Kansas Insurance Department on August 3, 2009.
8. The Agreement and Plan of Merger is in compliance with the provisions of K.S.A. 40-309.
9. AIL has submitted all necessary materials to the Kansas Insurance Department in connection with the proposed merger; and
10. The merger has been approved by the unanimous consent of the sole stockholder of AIL.

11. Based on the information submitted and the representations of ALAC, the merger of AIL with and into ALAC is not made for the purpose of and will not have the effect of changing or influencing control of the surviving company.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The merger of AIL with and into ALAC is hereby approved, provided that: (a) within sixty days of the date of this Order, the merger is effected and all appropriate documents are filed with the Kansas Insurance Department; and (b) ALAC shall maintain an office and business operations in the State of Kansas until December 31, 2011 (it being understood that this clause (b) does not impose any specific requirements with respect to the location, size or scope of such office and business operations).
2. ALAC shall be exempt from the application of the formal filing and approval requirements of K.S.A. 40-3304 as it may be deemed to apply to the merger of AIL with and into ALAC.
3. In conjunction with this Order, the Kansas Certificate of Authority of AIL shall be cancelled by the Commissioner of Insurance of Kansas.
4. The Commissioner of Insurance retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such Orders as may be deemed necessary and appropriate.

NOTICE OF RIGHTS

AIL is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act.

If AIL desires a hearing, the company must file a written request for a hearing with:

John W. Campbell, General Counsel
Kansas Insurance Department

420 S.W. 9th Street
Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order. If AIL requests a hearing, the Kansas Insurance Department will notify the company of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of the same.

If a hearing is not requested in the time and manner stated above, the Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-613. In the event that AIL files a petition for judicial review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

IT IS SO ORDERED THIS 28th DAY OF AUGUST, 2009 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger
Sandy Praeger
Commissioner of Insurance

BY:

/s/ John W. Campbell
John W. Campbell
General Counsel

CERTIFICATE OF SERVICE

The undersigned hereby certifies that above and foregoing Order of Merger was served via the United States Postal Service, first-class postage prepaid, on this 28th day of August, 2009, addressed to the following:

Mr. William Sneed
Polsinelli Shugart P.C.
One AmVestors Place
555 Kansas Ave., Suite 101
Topeka, Kansas 66603

/s/ Zachary J.C. Anshutz
Zachary J.C. Anshutz
Assistant General Counsel