

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

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|---|---|---------------------------|
| In the Matter of the Proposed |) | |
| Acquisition of Control of |) | |
| |) | |
| THE PYRAMID LIFE INSURANCE |) | |
| COMPANY |) | |
| |) | DocketNo. 4838-ACQ |
| By: |) | |
| |) | |
| NSRE HOLDINGS INC.; |) | |
| NASSAU REINSURANCE GROUP HOLDINGS, L.P.; |) | |
| NASSAU REINSURANCE GROUP HOLDINGS GP, LLC; |) | |
| NASSAU HOLDINGS, L.P.; and |) | |
| GGCOF EXECUTIVE CO-INVEST HOLDINGS LTD. |) | |
| (F/K/A NASSAU HOLDINGS, GP LTD.) |) | |

ORDER GRANTING EXTENSION OF TIME

Now on this 26th day of July, 2016, the above matter comes before the Commissioner of Insurance of the State of Kansas (the "Commissioner") upon the submission of a request for an extension of time to effect the acquisitions approved by the Commissioner by order dated April 27, 2016 (the "Approval Order") upon the pre-acquisition notice pursuant to K.S.A. 40-3304 and K.A.R. 40-1-28 in the form of a "Form A" Statement Regarding the Acquisition of Control of a Domestic Insurer ("Form A Statement") by NSRE Holdings Inc.; Nassau Reinsurance Group Holdings, L.P.; Nassau Reinsurance Group Holdings GP, LLC; Nassau Holdings, L.P.; and GGCOF Executive Co-Invest Holdings Ltd. (f/k/a Nassau Holdings, GP Ltd.) (collectively, the "Applicants"). The Form A Statement relates to the proposed acquisition of control of The Pyramid Life Insurance Company ("Pyramid Life"), a Kansas domestic insurance company, through the purchase of all of the issued and outstanding stock of Pyramid Life by NSRE Holdings, Inc.

The Applicants are represented by Steven L. Imber of Polsinelli PC. Pyramid Life is represented by Brian T. Casey of Locke Lord LLP. The Kansas Insurance Department (“KID”) is represented by its General Counsel, Diane Minear, and its Director of Financial Surveillance, Kenneth G. Abitz.

Pursuant to the authority granted to the Commissioner pursuant to K.S.A. 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 declarations of public interest and policy, findings of fact, conclusions of law and orders:

DECLARATION OF PUBLIC INTEREST AND POLICY

The Commissioner finds and declares that it is consistent with the public interest and the interest of policyholders to permit insurers to:

- (a) engage in activities which would enable them to make better use of management skills and facilities;
- (b) diversify into new lines of business through acquisition or organization of subsidiaries;
- (c) have free access to capital markets which could provide funds for insurers to use in diversification programs;
- (d) implement sound tax planning conclusions; and
- (e) serve the changing needs of the public and adapt to changing conditions of the social, economic and political environment, so that insurers are able to compete effectively and to meet the growing public demand for institutions capable of providing a comprehensive range of financial services.

The Commissioner further finds and declares that the policies and purposes in K.S.A. 40-3301, *et seq.*, promote the public interest by:

- (a) facilitating the achievement of the objectives enumerated in K.S.A. 40-3301 as set out above;
- (b) requiring disclosure of pertinent information relating to changes in control of an insurer;
- (c) requiring disclosure by an insurer of material transactions and relationships between the insurer and its affiliates, including certain dividends paid by the insurer; and
- (d) providing standards governing material transactions between the insurer and its affiliates.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The findings of fact and conclusions stated herein are based upon the statements made by the Applicants in the Form A Statement and accompanying documents made under oath and filed with KID by the Applicants pursuant to K.S.A. 40-3304(b) and K.A.R. 40-1-28.

1. Significant documents have been reviewed by representatives of the Financial Surveillance and Legal Divisions of the KID, and the Commissioner has had the benefit of their technical expertise and advice.

2. The purpose of the filing of the Form A Statement is to seek authority from the KID for the proposed acquisition of control of Pyramid Life by the Applicants. The terms and conditions of the proposed acquisition are more fully set forth in the Form A Statement filed by the Applicants with the Commissioner pursuant to the Kansas Insurance Holding Company Act, K.S.A. 40-3301, *et seq.*

3. The Form A Statement filed with the KID by the Applicants included a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer dated April 22, 2016, requesting approval of the acquisition of control of Pyramid Life by the Applicants.

4. The Applicants submitted various Exhibits to the Form A Statement, including, without limitation, the Stock Purchase and Sale Agreement, organizational charts, and financial statements.

5. Pyramid Life is a Kansas corporation headquartered in Lake Mary, Florida, and having a registered address in Overland Park, Kansas. Universal American Holdings, LLC, a Delaware limited liability company, currently owns one hundred percent (100%) of the issued and outstanding shares of stock of Pyramid Life. The Applicants will obtain one hundred percent (100%) ownership of Pyramid Life through their purchase of all the issued and outstanding shares of capital stock of Pyramid Life, and Pyramid Life will be a direct, wholly-owned subsidiary of NSRE Holdings Inc.

6. On October 8, 2015, NSRE Holdings Inc. and Nassau Reinsurance Group Holdings, L.P. entered into a Stock Purchase and Sale Agreement (the "Agreement") with Universal American Holdings, LLC and Universal American Corp. The Agreement provides for the transaction to close following, among other things, the receipt of proper regulatory approvals, including approval by the KID. Upon closing of the transaction, GGCOF Executive Co-Invest Holdings Ltd. (f/k/a Nassau Holdings, GP Ltd.) will be the ultimate controlling person of Pyramid Life.

7. The staff of the KID have inspected and reviewed the contents of the Form A Statement and Exhibits attached thereto to the extent necessary and found that the filing of the Form A Statement and Exhibits are in compliance with the provisions of the Kansas Insurance Holding Company Act, K.S.A. 40-3301, *et seq.* and K.A.R. 40-1-28. Also, staff has found that the Form A Statement and Exhibits have provided the information required under Kansas statutes to enable the Commissioner to render a decision.

8. Evidence shows that after the change of control, Pyramid Life would be able to satisfy all the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.

9. Evidence shows that the financial condition of the Applicants does not jeopardize the financial stability of Pyramid Life or prejudice the interest of its policyholders.

10. Evidence shows that the Applicants have no current plans or proposals to liquidate Pyramid Life, sell its assets or consolidate or merge Pyramid Life with any person, or to make any material change in Pyramid Life's current active business operations or corporate structure or management.

11. Evidence shows that the competence, experience and integrity of those persons who would control the operation of Pyramid Life are such that it would be in the interest of policyholders of the insurer and of the public to permit the acquisition of control by the Applicants.

12. Evidence shows that the acquisition of control of Pyramid Life by the Applicants is not likely to be hazardous or prejudicial to the insurance-buying public.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The ninety (90) day time period set forth in the Approval Order for the Acquisition to be effected is hereby extended for an additional sixty (60) days.

2. The Commissioner retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order or orders as may be deemed proper.

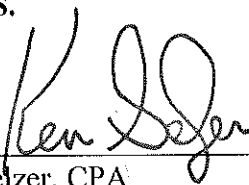
NOTICE OF RIGHTS

This Final Order is effective upon service. Pursuant to K.S.A. 77-529, Applicants may petition the Commissioner for reconsideration of this Final Order within fifteen (15) days after service of the Final Order. A petition for reconsideration must state the specific grounds upon which relief is requested. Additionally, a party to this agency proceeding may seek judicial review of this Final Order by filing a petition in the District Court, pursuant to K.S.A. 77-601, *et seq.* Reconsideration of this Final Order is not a prerequisite for judicial review. A petition for judicial review is not timely unless filed within thirty (30) days following the service of this Final Order, unless the Applicants petition the Commissioner for reconsideration, in which case a petition for judicial review is not timely unless filed within thirty (30) days following service of an order rendered upon reconsideration, or an order denying the request for reconsideration. In the event the Applicants file a petition for judicial review, the agency officer to be served on behalf of the Department is:


Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

**IT IS SO ORDERED THIS 26TH DAY OF JULY 2016, IN THE CITY OF TOPEKA,
COUNTY OF SHAWNEE, STATE OF KANSAS.**





Ken Selzer, CPA
Commissioner of Insurance
BY:



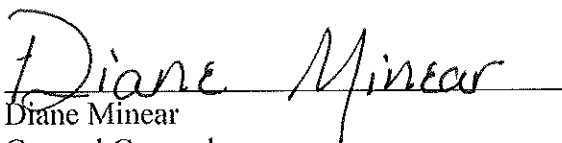
Diane Minear
General Counsel

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Order was forwarded via first class mail, postage prepaid on the 26th day of July, 2016 to:

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