

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

In the Matter of the Proposed Exemption of)
Zurich American Life Insurance Company) Docket No. 4802-EX
NAIC No. 16535

ORDER

Now comes on this 26th day of January, 2016 before the Commissioner of Insurance for disposition the request of Zurich American Life Insurance Company ("Applicant"), dated January 13, 2016, for an Order, pursuant to K.S.A. 40-3304(e)(1), exempting Applicant from the filing and approval requirements of K.S.A. 40-3304(a), as said statute may be construed to apply to the restructuring of the insurance holding company system of Universal Underwriters Life Insurance Company ("UULIC"), a Kansas domiciled insurer.

This Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

FINDINGS OF FACT

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-103 and K.S.A. 40-3301, *et seq.*
2. Applicant has requested an exemption pursuant to K.S.A. 40-3304(e) from the acquisition and approval requirements of the Kansas Insurance Holding Companies Act, specifically those requirements stated in K.S.A. 40-3304(a).
3. UULIC is a Kansas domiciled life insurance company.

4. Universal Underwriters Insurance Company ("UUIC"), an Illinois domiciled property and casualty insurance company, owns 100% of the outstanding stock of UULIC.

5. Zurich American Insurance Company ("ZAIC"), a New York domiciled property and casualty insurance company, owns 100% of the outstanding stock of UUIC.

6. Zurich Holding Company of America, Inc. ("ZHCA"), a non-insurance U.S. holding company, owns 100% of the outstanding stock of ZAIC.

7. ZHCA owns 100% of the outstanding stock of Zurich American Corporation ("ZAC"), a non-insurance U.S. holding company.

8. ZAC owns 100% of the outstanding stock of the Applicant, an Illinois domiciled life insurance company.

9. ZHCA indirectly owns 100% of the outstanding stock of both UULIC and the Applicant.

10. Zurich Insurance Group AG ("ZIG"), a Swiss insurance holding company, indirectly owns 100% of the outstanding stock of ZHCA.

11. The Zurich Global Life North America ("GLNA") business unit has, since 2009, managed the U.S. life insurance operations of ZIG, including UULIC and the Applicant.

12. As a result of the reorganization, the ownership of UULIC will transfer from UUIC to the Applicant.

13. Subsequent to the reorganization, UULIC will remain a 100% indirect subsidiary of ZHCA and will continue to be managed by GLNA.

CONCLUSIONS OF LAW

14. K.S.A. 40-3304(a) provides, in part, as follows:

(a) No person other than the issuer shall...enter into any agreement to exchange securities or, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if,... at the time... any such agreement is entered into, ... such person has filed with the commissioner of insurance and has sent to such insurer, a statement containing the information required by this section and such... agreement... has been approved by the commissioner of insurance in the manner hereinafter prescribed.

15. K.S.A. 40-3304(e) provides:

(e) The provisions of this section shall not apply to:

Any offer, request, invitation, agreement or acquisition which the commissioner of insurance by order shall exempt therefrom as: (1) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer;...

16. Based upon the information enumerated in the Findings of Fact contained in paragraphs #1 through #13 above, and the representations made on behalf of the Applicant, the restructuring of the holding company system is not made for the purpose of, and will not have the effect of, changing or influencing the control of Universal Underwriters Life Insurance Company, a Kansas domestic life insurer.

IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

1. Zurich American Life Insurance Company shall be exempt from the application of the formal filing and approval requirements of K.S.A 40-3304(a) as it may be deemed to apply to the change of the ownership of Universal Underwriters Life Insurance Company, which will result in Zurich American Life Insurance Company

owning 100% of the common stock of Universal Underwriters Life Insurance Company, provided the reorganization is effected within ninety (90) days of the date of this Order.

2. Zurich American Life Insurance Company shall comply with all of the provisions and requirements of K.S.A. 40-3301, *et seq.*, in the future.

3. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action as necessary to dispose of this matter.

NOTICE OF RIGHTS

Applicants are entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If the Applicants desire a hearing, they must file a written request for a hearing with:

Diane Minear, 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 Applicants request a hearing, the Kansas Insurance Department will notify them of the time and place of the hearing and information on the procedures, rights of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-601 *et seq.* In the event Applicants file a petition for judicial review, pursuant to K.S.A. 77-601 *et seq.*, the agency officer to be served on

behalf of the Kansas Insurance 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 JANUARY 2016, IN THE CITY OF
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Ken Selzer, CPA
Commissioner of Insurance

By:

Diane Minear
General Counsel

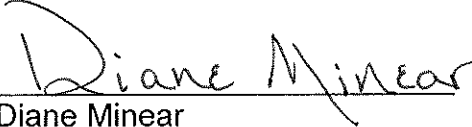
Certificate of Service

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

Jeffrey S. Horton
Regional Head of Strategic Finance
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One Liberty Plaza
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David J. Dietz, President and Chief Executive Officer
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Diane Minear
General Counsel