

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

<b>In the Matter of the Proposed</b>	)	
<b>Acquisition of Control of</b>	)	
	)	<b>DocketNo. 73165</b>
<b>UNION SECURITY INSURANCE COMPANY</b>	)	
<b>(NAIC# 70408)</b>	)	
	)	
<b>By:</b>	)	
	)	
<b>TPG VI WOLVERINE, LP;</b>	)	
<b>TPG WOLVERINE CO-INVEST, LP;</b>	)	
<b>TPG ADVISORS VI-AIV, INC.;</b>	)	
<b>DAVID BONDERMAN; and</b>	)	
<b>JAMES G. COULTER</b>	)	

**ORDER**

Now on this 25TH day of May, 2018, the above matter comes before the Commissioner of Insurance of the State of Kansas (the "Commissioner") upon the filing of a 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 dated April 10, 2018 ("Form A Statement") by TPG VI Wolverine, LP ("TPG VI"), TPG VI Wolverine Co-Invest, LP ("TPG VI Co-Invest", and together with TPG VI, the "TPG Stockholders"), TPG Advisors VI-AIV, Inc. ("TPG Advisors"), David Bonderman and James G. Coulter (collectively with the TPG Stockholders, TPG Advisors and David Bonderman, the "Applicants"). The Form A Statement relates to the proposed acquisition of control of Union Security Insurance Company ("Union Security"), a Kansas domestic insurance company, by the Applicants.

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 the following:

## **DECLARATION OF PUBLIC INTEREST AND POLICY**

The following statements of fact and conclusions of law are made with the intent to promote the policies and objectives enumerated in K.S.A. 40-3301.

## **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 the Kansas Insurance Department (“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 Union Security 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 10, 2018, requesting approval of the acquisition of control of Union Security by the Applicants.

4. The Applicants submitted various Exhibits to the Form A Statement, including, without limitation, the Amended and Restated Agreement and Plan of Merger (as defined below), organizational charts, and financial statements.

5. Union Security is a Kansas corporation with its statutory home office address in Topeka, Kansas and its main administrative office in Kansas City, Missouri. Union Security is a wholly owned subsidiary of Interfinancial Inc., a Georgia corporation which is in turn a wholly owned subsidiary of Assurant, Inc., a Delaware holding company that is publicly traded on the New York Stock Exchange under the ticker symbol "AIZ" ("Assurant"). The Applicants will obtain indirect control of Union Security through the TPG Stockholders' acquisition of up to 16.6% of the issued and outstanding shares of Assurant's common stock (based on the number of shares of Assurant's common stock outstanding as of January 8, 2018 and after giving pro forma effect to the merger proposed under the Amended Merger Agreement).

6. The Form A Statement relates to the merger proposed pursuant to the terms and conditions of an Amended and Restated Agreement and Plan of Merger (the "Amended Merger Agreement"), dated as of January 8, 2018, by and among Assurant, TWG Holdings Limited, TWG Re, Ltd., Spartan Merger Sub, Ltd., and Arbor Merger Sub, Inc. (solely for purposes of Article III and Article VIII of the Amended Merger Agreement). The Amended Merger 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, Assurant will remain as the ultimate controlling person of Union Security for purposes of K.S.A. 40-3301, *et seq.*

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 have found 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, Union Security 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 Union Security or prejudice the interest of its policyholders.

10. Evidence shows that the Applicants have no current plans or proposals to liquidate Union Security, sell its assets or consolidate or merge Union Security with any person, or to make any material change in Union Security'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 Union Security are such that it would be not be harmful to 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 Union Security 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 application by the Applicants to acquire control of Union Security in the manner set forth in the Form A Statement and Exhibits attached thereto is hereby approved pursuant to K.S.A. 40-3304, provided that the acquisition is effected within ninety (90) days of the date of this Order.

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 25TH DAY OF MAY, 2018, IN THE CITY OF TOPEKA,  
COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_  
Ken Selzer, CPA  
Commissioner of Insurance



\_\_\_\_\_  
/s/Grace Lancaster  
Grace Lancaster  
Staff Attorney

**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 25th day of May, 2018 to:

Steven L. Imber  
Polsinelli PC  
6201 College Blvd., Suite 500  
Overland Park, Kansas 66211  
Tel. (913) 234-7469  
simber@polsinelli.com

/S/Grace Lancaster

Grace Lancaster  
Staff Attorney