

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

In the Matter of the Proposed)	
Exemption of)	
)	
NASSAU LIFE INSURANCE COMPANY OF)	
KANSAS)	Docket No. 83974
NAIC CoCode 68284)	
)	
)	

ORDER

Now on this 26th day of June 2020, the above matter comes before the Commissioner of Insurance of the State of Kansas (the “Commissioner”) upon the request of Nassau Financial Group (“Nassau”) and Nassau Life Insurance Company of Kansas (“NKS” or the “domestic insurer”) for a Form A Statement Filing exemption, dated May 8, 2020. Nassau requests an Order, pursuant to K.S.A. 40-3304(e)(1), exempting it from the filing and approval requirements of K.S.A. 40-3304(a), as said statute may be construed to apply to a proposed internal reorganization involving the domestic insurer.

Pursuant to the authority granted to the Commissioner by K.S.A. 40-3301 and 40-3304(e) 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 Commissioner has the general supervision, control, and regulation of corporations, companies, associates, societies, exchanges, partnerships, or persons authorized to transact the business of insurance, indemnity, or suretyship in this state. 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

The findings of fact and conclusions stated herein are based upon the statements made by Nassau.

1. The Commissioner has jurisdiction over this matter pursuant to K.S.A. 40-103 and K.S.A. 40-3301, *et seq.*
2. Nassau requested an exemption, pursuant to K.S.A. 40-3304(e), from the prior approval requirements of the Kansas Insurance Holding Companies Act, specifically those requirements outlined in K.S.A. 40-3304(a).
3. **Background**
 - a. NKS changed its name from The Pyramid Life Insurance Company effective March 11, 2019. NKS is licensed in 40 states. The Company's business is administered by various non-affiliated third-party administrators in multiple locations.
 - b. NKS has life and a broad range of accident and health products in force, including Medicare Supplement products.
 - c. Currently, NKS is a wholly-owned direct subsidiary of The Nassau Companies. The Nassau Companies is also the immediate parent of Nassau Life Insurance Company of Texas ("NTX"), and Nassau Life and Annuity Company ("NLA"), which are members of the GGCOF Management, LLC Group ("GGCOF"). David Dominik, the sole member of GGCOF, is the Ultimate Controlling Person.

4. Proposed Plan

- a. Nassau intends to restructure so that NKS and NTX will have a new position under NLA. Accordingly, NKS will become a wholly-owned direct subsidiary of NLA.
- b. The Nassau Companies will remain the immediate, now indirect, holding company parent of NKS. No changes will occur in holding company above The Nassau Companies.
- c. As a result of the proposed transaction, NKS will remain a member of GGCOF and an indirect subsidiary of the same ultimate controlling person, David Dominik.
- d. Future plans include a potential merger of NTX with and into NLA, with NLA as the surviving entity. The proposed merger should have no impact on NKS.

APPLICABLE LAW

5. K.S.A. 40-3304(a)(1) provides:

“No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or 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, after the consummation thereof, such person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, 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 offer, request, invitation, agreement or acquisition has been approved by the commissioner of insurance in the manner hereinafter prescribed. The requirements of this section shall not apply to the merger or consolidation of those companies subject to the requirements of K.S.A. 40-507 and 40-1216 to 40-1225, inclusive, and amendments thereto.”

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

“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; or

“(2) as otherwise not comprehended within the purposes of this section.”

CONCLUSIONS OF LAW

7. Representatives of the Financial Surveillance and Legal Divisions of the Department inspected and reviewed the contents of the request.

8. Based on the information enumerated in the Findings of Fact, contained in paragraphs 1-4 above, and the representations made on behalf of Nassau and NKS, the reorganization 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 the domestic company, NKS.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. The Parties shall be exempt from the formal filing and approval requirements of K.S.A. 40-3304(a) as it may apply to the proposed transaction.
2. The Parties shall continue to comply with the provisions and requirements of K.S.A. 40-3301 *et seq.*, in the future.
3. 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, the Applicant 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 Applicant petitions 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 Applicant files a petition for judicial review, the agency officer to be served on behalf of the Department is:

Justin McFarland, General Counsel
Kansas Insurance Department
1300 SW Arrowhead Road
Topeka, Kansas 66604

IT IS SO ORDERED THIS 26th DAY OF JUNE 2020, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



Vicki Schmidt
Commissioner of Insurance

Approved by the Kansas Insurance
Department Legal Division:



Paige Blevins
Staff Attorney

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Final Order was forwarded via first class mail, postage prepaid on the 24th day of June 2020, to:

Sam S.F. Caligiuri
Vice President and Deputy General Counsel
Nassau Re
One American Row
P.O. Box 5056
Hartford, CT 06102



Toni Garrard
Senior Administrative Assistant