

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Hardy, LLC Requesting	:	Holding Companies Act, Article
Exemption from the Requirements of 40	:	XIV of the Insurance Company
P.S. §991.1402 to Increase its Percentage	:	Law of 1921, Act of May 17, 1921,
of Control of Unity Financial Life	:	P.L. 682, as amended, 40 P.S.
Insurance Company	:	§§991.1401, 991.1402, and
	:	991.1403
	:	
	:	
	:	Order No. ID-RC-11-25

DECISION AND ORDER

AND NOW, on this 21st day of October, 2011, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of the Parties

1. Unity Financial Life Insurance Company (“UFLIC”) is a domestic stock life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Cincinnati, Ohio.
2. Unity Financial Insurance Group, LLC (“UFIG”) is an insurance holding company organized under the laws of the state of Delaware with its principal

place of business located in Cincinnati, Ohio. UFLIC is a wholly-owned subsidiary of UFIG.

3. Columbian Mutual Life Insurance Company (“CML”) is an admitted foreign mutual life insurance company organized pursuant to the laws of the state of New York with its principal place of business located in Binghamton, New York. CML directly holds 50% of the issued and outstanding capital stock of UFIG.
4. Hardy, LLC (“HL”) is an insurance holding company organized under the laws of Delaware with its principal place of business in Cincinnati, Ohio. HL currently directly holds 50% of the issued and outstanding capital stock of UFIG.
5. Thomas C. Hardy and Jan W. Hardy (“The Hardys”) are individuals with their primary residence located in Cincinnati, Ohio. The Hardys collectively as husband and wife currently directly hold 90% of the issued and outstanding capital stock of HL.
6. CML and the Hardys are both an ultimate controlling person of UFLIC.

Filing of the Application

7. On September 2, 2011, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial application (which together with all material received subsequently is collectively referenced as “Application”) from HL for approval to increase its direct control over UFLIC.
8. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. (“Insurance Holding Companies Act”), provides that all transactions affecting the control of a domestic insurer must be filed with the Department for approval or disapproval.
9. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
10. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a. does not have the effect of changing or influencing the control of a domestic insurer, or
 - b. is otherwise not comprehended within the purposes of the section.

The Transaction

11. As described in the Application, UFIG currently directly holds 100% of the issued and outstanding capital stock of UFLIC.
12. As described in the Application, CML currently directly holds 50% of the issued and outstanding capital stock of UFIG.
13. As described in the Application, HL currently directly holds 50% of the issued and outstanding capital stock of UFIG.
14. As described in the Application, HL has agreed to purchase the remaining 50% ownership interest in UFIG from CML (“the Acquisition”).
15. As described in the Application, after the Acquisition HL would directly hold 100% of the issued and outstanding capital stock of UFIG.
16. As described in the Application, upon completion of the Acquisition, The Hardys would be the sole ultimate controlling person of UFLIC.
17. The Deputy Commissioner finds that the transactions described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
18. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
3. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
4. The transaction is not being contemplated to change or influence the ultimate control of the Domestic Insurers, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
5. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania hereby makes the following Order:

An approving determination for the application of Hardy, LLC requesting exemption from the requirements of 40 P.S. §991.1402 for the increase in its percentage of control of Unity Financial Life Insurance Company, as set forth in the Application, is hereby granted.

This Order is effective immediately and valid for one (1) year, provided there are no material changes to the representations provided in the Application.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner