

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Sections 1401, 1402
: and 1403 of the Insurance Holding
Application of AmFirst Insurance : Companies Act, Article XIV of the
Company in Support of the Request for : Insurance Company Law of 1921, Act
Approval to Acquire Control of Teachers : of May 17, 1921, P. L. 682, as
Protective Mutual Life Insurance : amended, 40 P.S. §§991.1401,
Company Upon Conversion to a Stock : 991.1402 and 991.1403
Insurance Company, to be Renamed :
TPM Life Insurance Company : Order No. ID-RC-15-26

DECISION AND ORDER

AND NOW, on this 30th day of December, 2015, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania (“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 Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of Parties

1. Teachers Protective Mutual Life Insurance Company (“Teachers”) is a mutual life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Lancaster, Pennsylvania.
2. AmFirst Insurance Company (“AmFirst”) is a foreign stock life insurance company organized pursuant to the laws of the State of Oklahoma with its principal place of business located in Oklahoma City, Oklahoma.
3. AmFirst Holdings, Inc. (“AHI”) is a Mississippi holding company that owns 100% of the common stock of AmFirst Insurance Company.

4. John J. Morgan (“Morgan”) is an individual with his primary place of business located in Jackson, Mississippi. Morgan directly controls 45% of the voting securities of AHI.
5. Wheaton Holdings, LLC is a Mississippi holding company. Wheaton Holdings LLC directly controls 55% of the voting securities of AHI.
6. David R. White (“White”) is an individual with his primary place of business located in Jackson, Mississippi. White indirectly controls 50% of the voting securities of Wheaton Holdings, LLC.
7. Richard L. Eaton (“Eaton”) is an individual with his primary place of business located in Jackson, Mississippi. Eaton indirectly controls 50% of the voting securities of Wheaton Holdings, LLC.
8. Messrs. Morgan, White and Eaton are the ultimate controlling persons of AmFirst.

Acquisition Filing

9. Pursuant to the Insurance Company Mutual-to-Stock Conversion Act, 40 P.S. §§911-A et seq., as amended (the “Conversion Act”), Teachers has made separate application with the Commissioner for approval to convert to a stock insurance corporation and thereby changing its name to “TPM Life Insurance Company” (“TPM”).
10. Pursuant to an Agreement of Conversion Exchange (“Agreement”), AmFirst agreed to purchase 1,530,000 shares to comprise 100% of the issued and outstanding common stock of TPM, par value \$1 per share.
11. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1922, P.L. 682, as amended, 40 P.S. §§991.1401- 991.1413 (“Insurance Holding Companies Act”), provides that all changes in control of domestic insurers must be filed with the Commissioner for approval or disapproval.
12. On December 15, 2015, the Pennsylvania Insurance Department (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from AmFirst for approval to acquire all of the issued and outstanding common stock of TPM in exchange for \$3,500,000.
13. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
14. As described in the Application, AmFirst would acquire all of the issued and outstanding common stock of TPM in exchange for cash.

15. As described in the Application, Messrs. Morgan, White and Eaton would become the ultimate controlling persons of TPM as a result of the Agreement.

Standards for Review

16. Section 1402(f)(1) of the Insurance Holding Companies Act establishes the standards for approval of an application for a change in control of a domestic insurer.
17. An application for a change in control must be approved unless the Department finds any one of certain enumerated conditions to be present.

Licensing Requirements

18. When analyzing an application for change in control under Section 1402 of the Insurance Holding Companies Act, the Commissioner reviews the requirements for continued licensure of the domestic insurer being acquired.
19. Specifically, the Department reviews whether the domestic insurer would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed after the acquisition.
20. The lines of insurance for which an insurance company may be incorporated and become licensed to write are set out in Section 202 of the Insurance Company Law (40 P.S. §382).
21. The minimum paid up capital stock and paid in surplus required of a stock insurer for each line of insurance is set out in Section 206 of the Insurance Company Law (40 P.S. §386).
22. In accordance with Section 206 of the Insurance Company Law (40 P.S. §386), TPM is required to maintain a minimum paid up capital stock of \$1,100,000 and a minimum paid in surplus of \$550,000 to write the lines of insurance for which it is presently licensed.
23. Upon completion of the transaction, TPM will have the statutory minimum capitalization to satisfy the requirements to write the lines of insurance for which it is presently licensed.

Competitive Impact

24. The acquisition of control of a Pennsylvania domiciled insurer is subject to review and analysis under Section 1402(f)(1)(ii) of the Insurance Holding Companies Act to determine whether the effect of the acquisition of control of TPM would be to

substantially lessen competition in this Commonwealth or tend to create a monopoly therein.

25. The acquisition of control of TPM will not lessen competition or tend to create a monopoly in the Commonwealth because the market shares of TPM and the market shares of AmFirst, as stated in the Application, do not exceed the market share levels established in Section 1403 of the Insurance Holding Companies Act.

Financial Condition of Applicants

26. When analyzing an application for an acquisition of control under Section 1402 of the Insurance Holding Companies Act, the Department reviews the financial condition of the acquiring person(s).
27. The Department has reviewed the financial statements submitted for AmFirst.
28. The Department has reviewed the personal financial statements submitted for Messrs. White, Morgan and Eaton.
29. The financial condition of AmFirst and Messrs. White, Morgan and Eaton would not pose any impediments to the change in control nor jeopardize the financial condition of TPM.

Plans for the Acquired Insurer

30. When analyzing an application for an acquisition of control under Section 1402 of the Insurance Holding Companies Act, the Department reviews the plans or proposals which the acquiring party has for the insurer.
31. In particular, the Department reviewed the transaction as set forth in the Application to determine whether it is:
 - a) Unfair or unreasonable or fails to confer a benefit upon policyholders.
 - b) Not in the public interest.
32. As stated in the Application, the Applicant has no future plans or proposals to liquidate TPM, to sell its assets, to merge or consolidate it with any person or persons, or to make any other material change in its business operations or corporate structure.
33. As specified in the Application, AmFirst has made a commitment that TPM will continue to pay dividends to those participating policies for which a closed block is

contemplated under Section 805-A of the Conversion Act (40 P.S. §915-A).

34. As stated in the Application, all but one of the officers and directors of TPM will be replaced with representatives of AmFirst.
35. There is no basis in the record from which it may be concluded the proposed transaction is unfair or unreasonable or fails to confer a benefit upon policyholders or is not in the public interest.

Management

36. When analyzing an application for an acquisition of control under Section 1402 of the Insurance Holding Companies Act, the Department reviews the competence, experience and integrity of the persons who will control the operations of the acquired insurer.
37. Biographical affidavits for Messrs. Morgan, White and Eaton were reviewed by the Department.
38. Biographical affidavits for all directors and officers of AmFirst were reviewed by the Department.
39. Biographical affidavits for all expected new directors and officers of TPM were reviewed by the Department.
40. The Department is satisfied that the persons who would control the operations of TPM have such competence, experience and integrity that the interests of policyholders and the public would not be jeopardized.

Hazardous or Prejudicial to Insurance Buying Public

41. When analyzing an application for a merger involving a domestic insurer under Section 1402 of the Insurance Holding Companies Act, the Department evaluates whether the merger, consolidation or other acquisition of control is likely to be hazardous or prejudicial to the insurance buying public.
42. There is insufficient evidence in the record from which it may be concluded that the acquisition will likely be hazardous or prejudicial to the insurance buying public.

Compliance with the Pennsylvania Laws

43. When analyzing an application for a merger involving a domestic insurer under Section 1402 of the Insurance Holding Companies Act, the Department reviews the transaction to determine whether the merger, consolidation or other acquisition of control is not in compliance with the laws of this Commonwealth, including Article VIII-A.

44. The Department has evaluated the transaction as set forth by the Application as to whether it is in compliance with the laws of Pennsylvania.
45. 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 change in control of TPM.
2. Under Section 1402 of the Insurance Holding Companies Act, the Department must approve an application for a change in control unless the Department has found that:
 - a) The insurer will not be able to satisfy the requirements for the issuance of a license to write the line or lines of business for which it is presently licensed;
 - b) The change in control will substantially lessen competition in insurance in this Commonwealth or tend to create a monopoly therein;
 - c) The financial condition of the acquiring party is such as might jeopardize the financial stability of the insurer or prejudice the interests of its policyholders;
 - d) Any plans to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to policyholders of the insurers and fail to confer a benefit on policyholders and are not in the public interest;
 - e) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders and the general public to permit the acquisition of control;
 - f) The acquisition is likely to be hazardous or prejudicial to the insurance buying public; or
 - g) The acquisition of control is not in compliance with the laws of this Commonwealth, including Article VIII-A, Insurance Company Mutual-to-Stock Conversion Act.
3. Under Section 1402 of the Insurance Holding Companies Act, the Commissioner has not found that any of the above conditions are present with respect to the change in

control of TPM.

4. 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 Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner") hereby makes the following Order:

The application of AmFirst Insurance Company ("AmFirst") in support of the request for approval to acquire control of Teachers Protective Mutual Life Insurance Company upon conversion to a stock insurance company, to be renamed TPM Life Insurance Company, as set forth in the application, is hereby approved, subject to this Order and the following conditions:

1. The Applicants shall provide to the Department a list of closing documents within five (5) days after consummation of the subject transaction and shall maintain the listed documents and make them available to the Department for a period of not less than five (5) years from the date of consummation.
2. AmFirst will honor its commitment that TPM Life Insurance Company continue to pay dividends to those participating policies for which a closed block is contemplated under Section 805-A of the Conversion Act (40 P.S. §915-A).

This Order is effective immediately.



Teresa D. Miller
Insurance Commissioner
Commonwealth of Pennsylvania