



DEPARTMENT OF COMMERCE AND INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE: Proposed Acquisition of)
Sunset Life Insurance Company of)
America,)
By)
Rainier Management, Ltd.; Cordillera)
Holdings, LLP; Foraker Holdings, LLC;)
and Bona Holdings, LLC)

Case No. 2107211073F

APPROVAL ORDER

Based on the competent and substantial evidence in the administrative record before me, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance (“Director” of the “Department”), determine that there is no need for additional proceedings or a formal hearing on this matter and hereby issue the following findings of fact, conclusions of law, and order approving the proposed acquisition in this case as follows:

FINDINGS OF FACT

1. On June 8, 2021, Bona Holdings, LLC (“Bona”) submitted a Form A seeking the Director’s approval/non-disapproval of the proposed acquisition of Sunset Life Insurance Company of America (“Domestic Insurer”) from Kansas City Life Insurance Company, the current parent of Domestic Insurer (“Seller”).

2. In the cover letter accompanying the Form A Statement submitted June 8, 2021, Applicants stated that they were not also submitting a Form E, Pre-Acquisition Notice Form, because the proposed acquisition set out in the June 8, 2021, Form A Statement was exempt from that requirement pursuant to § 382.095.2(4), RSMo¹.

3. On June 17, 2021, the Department’s Division of Insurance Company Regulation (“Division”) sent Applicant correspondence identifying certain additional items that were needed to address the completeness of the Form A Application.

4. Among the items identified in the Division’s June 17, 2021, letter was that any Form A Statement submitted would need to include all of the parties seeking to acquire Domestic Insurer identified in the pre-acquisition and post-acquisition organizational charts included as an exhibit to the June 8, 2021, Form A Statement.

5. On July 1, 2021, Bona, Rainier Management Ltd., Cordillera Holdings, LLP, and Foraker Holdings, LLC (“Applicants”) submitted an Amended Form A Statement addressing the items identified by the Division in its June 17, 2021, letter and provided most of the information requested.

¹ All references to the Revised Statutes of Missouri are to RSMo 2016 unless otherwise noted.

6. The Division's review of the Amended Form A Statement and the supplemental information received from Applicants shows that the Applicants will acquire Domestic Insurer by purchasing all of the issued and outstanding stock of Domestic Insurer from Kansas City Life Insurance Company as set out in a Stock Purchase Agreement dated May 5, 2021, entered into by Bona and Seller.

7. According to the Stock Purchase Agreement, Bona will acquire Domestic Insurer for the aggregate consideration of the Purchase Price, which consists of capital and surplus of the Domestic Insurer, plus (1) the product of (i) \$125,000 and (ii) the number of states for which the Domestic Insurer holds a Certificate of Authority up to a total amount not to exceed \$5,500,000; and plus (iii) a \$1,000,000 constituting the Initial Rating Support Fee and as more fully described in the Stock Purchase Agreement.

8. The Director has exercised her discretion and deemed the Amended Form A Application filed as that term is used in §§ 382.060 and 382.095.

9. Bona intends to fund the acquisition using equity financing it expects to receive from Cordillera Holdings, LLP. Additionally, Cordillera Holdings, LLP, has provided Kansas City Life Insurance Company with a guarantee guaranteeing payment of the consideration as specified in a Guarantee Agreement dated May 5, 2021.

10. Division staff have determined that the Applicants have sufficient capital or access to sufficient capital to complete the transaction in a manner that it will not be financially hazardous to the Applicants or Domestic Insurer and its policy holders.

11. Section 382.195.1(4) requires that all management agreements, tax allocation agreements, service contracts and all cost-sharing agreements between and

among members of an insurance holding company system regulated pursuant to Chapter 382 must be submitted to the Director for her review and approval at least thirty (30) days prior to entering into the agreement(s). The Applicants have submitted a proposed agreement (Form D), an Investment Management Agreement, to the Director for her review and conditional approval. Applicants and Domestic Insurer intend to enter into the Investment Management Agreement contemporaneously with the closing of the merger transaction that is the subject of the Amended Form A Statement submitted by Applicants.

12. Based upon her review, the proposed Investment Management Agreement submitted by Applicants complies with §§ 382.190 and 382.195.

13. The Applicants have no present plans for the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell any of the assets of the Domestic Insurer (other than in the ordinary course of business), or to merge the Domestic Insurer with any other person or persons.

14. At present, Domestic Insurer is in “run-off” and is not currently writing (and has not written for some time) any policies in this or any state. Following the proposed merger, Applicants intend to use Domestic Insurer to launch certain insurance products, primarily annuity products. Other than as described more fully in the Amended Form A Statement, Applicants have no current plans to make any material changes in the business operations or corporate structure of the Domestic Insurer (other than as may arise in the ordinary course of business.)

15. The proposed Investment Management Agreement referenced above in paragraph 11 and the subject of the Form D submitted by Applicants with the Amended

Form A Statement for review and approval/non-disapproval by the Director is by and between Domestic Insurer and Investcorp Solutions, LLC, a Delaware limited liability corporation (“Investcorp Solutions”). Investcorp Solutions is an affiliate/subsidiary of Investcorp Investment Equity Limited (“Investcorp Limited”), which is itself a subsidiary of Investcorp Holdings, B.S.C. (“Investcorp”). While Investcorp Solutions, Investcorp Limited and Investcorp are not “affiliates” of Domestic Insurer as that term is defined and used in §§ 382.010, 382.190 and 382.195, affiliates of Investcorp are the limited partners of Cordillera Holdings, LLP and, as such, is in a position to have substantial influence over Domestic Insurer, especially as a result of its status as a parent entity of the parties that will be managing Domestic Insurer’s investment portfolio.

16. As a consequence and to protect Domestic Insurer’s policy holders, the Department and Applicants intend to enter into a Memorandum of Agreement (“MOU”), which is attached hereto as Exhibit 1 and, by this reference, incorporated herein. The MOU in general provides that any modifications to the proposed Investment Management Agreement, or any additional agreements entered into between Domestic Insurer and any affiliate or subsidiary of Investcorp that is a “material transaction” as that term is defined and used in § 382.195, will be submitted to the Director for her review and approval/non-disapproval as long as Investcorp remains a limited partner of any of the Applicants and any of the Applicants remains a parent of Domestic Insurer. Applicants will cause Domestic Insurer to submit any proposed modifications to the proposed Investment Management Agreement or any additional agreements entered into between Domestic Insurer and any affiliate or subsidiary of Investcorp at least thirty (30) days prior to entering

into the agreement(s). Any proposed modification(s) or agreement(s) that is a “material transaction” as that term is defined and used in § 382.195 will comply with the provisions of §§ 382.190 and 382.195. The Department and Applicants will enter into the MOU contemporaneously with the closing of the merger transaction that is the subject of the Amended Form A Statement submitted by Applicants.

17. Division staff conducted an independent analysis of Applicants’ claim that the proposed acquisition set out in the Amended Form A is exempt from the requirement to file a Form E and have confirmed that the transaction is exempt pursuant to § 382.095.2(4).

18. The proposed acquisition of Domestic Insurer by the Applicants will not substantially lessen competition or tend to create a monopoly in the business of insurance in Missouri.

CONCLUSIONS OF LAW

19. Section 382.040.1 provides:

No person other than the issuer shall commence a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, he or she would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer unless, at the time the offer, request, or invitation is commenced or the agreement is entered into, or prior to the acquisition of the securities if no offer or agreement is involved, he or she has filed with the director and has sent to the insurer a statement containing the information required by section 382.050 and the offer, request, invitation, agreement or

acquisition has been approved by the director in the manner prescribed by sections 382.010 to 382.300.

20. Section 382.060 provides, in relevant part, that “[t]he director shall approve any merger or other acquisition of control referred to in § 382.040 unless after a public hearing the director” finds certain adverse conditions or consequences related to a merger or acquisition.

21. After a review of the Amended Form A, all the Exhibits and the additional information submitted by Applicants as outlined above, pursuant to § 382.060, the Director fails to find that:

- a. after the proposed acquisition, the Domestic Insurer would not be able to satisfy the requirements for issuance of a license to write the line or lines of insurance for which it is presently licensed;
- b. the effect of the acquisition would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein;
- c. the financial condition of the Applicants is such as might jeopardize the financial stability of any of the Domestic Insurer or prejudice the interests of its policyholders;
- d. any plans or proposals by the Applicants to liquidate the Domestic Insurer, sell any of its assets, consolidate or merge it with any other person, or make any other material change in the business or corporate structure or management of the Domestic Insurer are unfair and unreasonable to their policyholders and contrary to the public interest;
- e. the competence, experience, or integrity of the persons who would control or manage the Domestic Insurer post-acquisition are such that it would be contrary to the interest of policyholders and the general public to permit the acquisition; or
- f. the acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

ORDER

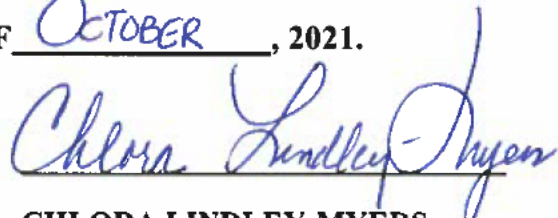
31. Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that the proposed acquisition of the Domestic Insurer by Applicants, Bona

Holdings, LLC, Rainier Management Ltd., Cordillera Holdings, LLP, and Foraker Holdings, LLC as set out in the July 1, 2021, Amended Form A Application is approved with the following condition:

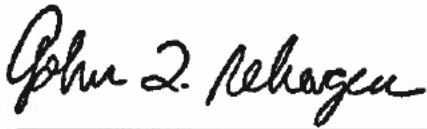
- a. the acquisition contemplated in the Stock Purchase Agreement by and between Bona and Domestic Insurer shall be subject to, and conditioned on, the closing of the acquisition.

SO ORDERED.

WITNESS MY HAND THIS 08th DAY OF OCTOBER, 2021.


CHLORA LINDLEY-MYERS,
DIRECTOR

APPROVED FOR ENTRY AND EXECUTION:



John F. Rehagen
Director, Division of Insurance Company Regulation
Missouri Department of Commerce and Insurance



Enrique Casafont
President
Bona Holdings, LLC



Enrique Casafont
Managing Partner
Cordinera Holdings, LLP



Enrique Casafont
Director/Authorized Signatory
Rainier Management, Ltd.

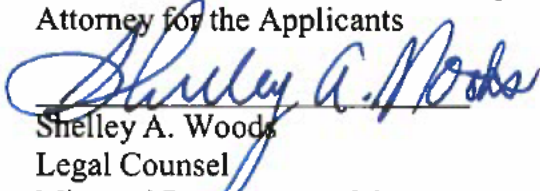


Enrique Casafont
Director/Authorized Signatory
Foraker Holdings, LLC

RESPECTFULLY SUBMITTED:



Steven B. Davis
Stradley, Ronon, Stevens & Young, LLP.
Attorney for the Applicants



Shelley A. Woods
Legal Counsel
Missouri Department of Commerce and Insurance
Attorney for the Division

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

IN RE: Proposed Acquisition of)	
Sunset Life Insurance Company of)	
America,)	
)	Case No. 2107211073F
By)	
)	
Rainier Management, Ltd.; Cordillera)	
Holdings, LLP; Foraker Holdings, LLC;)	
and Bona Holdings, LLC)	

MEMORANDUM OF UNDERSTANDING

1. On June 8, 2021, Bona Holdings, LLC (“Bona”) submitted a Form A seeking the Director’s approval/non-disapproval of the proposed acquisition of Sunset Life Insurance Company of America (“Domestic Insurer”) from Kansas City Life Insurance Company, the current parent of Domestic Insurer (“Seller”).

2. On June 17, 2021, the Department’s Division of Insurance Company Regulation (“Division”) sent Applicants correspondence identifying certain additional items that were needed to address the completeness of the Form A Application.

3. Among the items identified in the Division’s June 17, 2021, letter was that any Form A Statement submitted would need to include all of the parties seeking to acquire Domestic Insurer identified in the pre-acquisition and post-acquisition organizational charts included as an exhibit to the June 8, 2021, Form A Statement.

4. On July 1, 2021, Bona, Rainier Management Ltd., Cordillera Holdings, LLP, and Foraker Holdings, LLC (“Applicants”) submitted an Amended Form A Statement

addressing the items identified by the Division in its June 17, 2021, letter, including the addition of all of the parties identified in the pre-acquisition and post-acquisition organizational charts attached as an exhibit to the Form A Statement.

5. Section 382.195, RSMo requires that all management agreements, tax allocation agreements, service contracts and all cost-sharing agreements between and among members of an insurance holding company system regulated pursuant to Chapter 382, RSMo must be submitted to the Director for her review and approval at least thirty (30) days prior entering into the agreement(s). The Applicants have submitted a proposed agreement (Form D), an Investment Management Agreement, to the Director for her review and conditional approval. Applicants and Domestic Insurer intend to enter into the Investment Management Agreement contemporaneously with the closing of the merger transaction that is the subject of the Amended Form A Statement submitted by Applicants.

6. The proposed Investment Management Agreement submitted by Applicants with the Amended Form A Statement for review and approval/non-disapproval by the Director is by and between Domestic Insurer and Investcorp Solutions, LLC, a Delaware limited liability corporation (“Investcorp Solutions”). Investcorp Solutions is an affiliate/subsidiary of Investcorp Investment Equity Limited (“Investcorp Limited”), which is itself a subsidiary of Investcorp Holdings, B.S.C. (“Investcorp”).

7. While Investcorp Solutions, Investcorp Limited and Investcorp are not “affiliates” of Domestic Insurer as that term is defined and used in §§ 382.010, 382.190 and 382.195, Investcorp is the limited partner of Cordillera Holdings, LLP and, as such, is in a position to have substantial influence over Domestic Insurer, especially as a result of

its status as a parent entity of the parties that will be managing Domestic Insurer's investment portfolio.

8. As a consequence and to protect Domestic Insurer's policy holders, the Department and Applicants are entering into this Memorandum of Understanding ("MOU").

9. Any modifications to the proposed Investment Management Agreement that are "material transactions" as that term is defined and used in § 382.195, RSMo will be submitted to the Director for her review and approval/non-disapproval. Any proposed modification(s) to the Investment Management Agreement will comply with the provisions of §§ 382.190 and 382.195, RSMo.

10. Any additional agreements entered into between Domestic Insurer and any affiliate or subsidiary of Investcorp that is a "material transaction" as that term is defined and used in § 382.195, RSMo shall also be submitted to the Director for her review and approval/non-disapproval. Any proposed additional agreement(s) will comply with the provisions of §§ 382.190 and 382.195, RSMo.

11. Domestic Insurer shall submit any modifications to the Investment Management Agreement or additional agreements between Domestic Insurer and any affiliate or subsidiary of Investcorp for as long as Investcorp remains a limited partner of any of the Applicants and any of the Applicants remains a parent of Domestic Insurer.

12. Applicants will cause Domestic Insurer to submit any proposed modifications to the Investment Management Agreement and any additional agreements

between Domestic Insurer and any affiliate or subsidiary of Investcorp at least thirty (30) days prior to entering into or modifying the agreement.

APPLICANTS

Bona Holdings, LLC

Cordillera Holdings, LLP

Rainier Management, Ltd.

Foraker Holdings, LLC

**DIVISION OF COMMERCE
AND INSURANCE**

John R. Rehagen
Director, Division of Insurance
Company Regulation