

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

IN RE: The Proposed Acquisition of American Continental Life Insurance Company by Continental Casualty Company

Case No. 010813565C

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Findings of Fact and Conclusions of Law

Based on the testimony and other evidence presented, I, SCOTT B. LAKIN, Director of the Department of Insurance, State of Missouri, find and conclude that:

On or about August 6, 2001, Continental Casualty Company (ACCC≅) filed a
Form A Statement with the Missouri Department of Insurance (the ADepartment≅) in connection with the proposed direct acquisition of American Continental Life Insurance Company (ACLIC≅), a Missouri stock life insurance company. A public hearing was held on September 5, 2001, as ordered by the Department on August 15, 2001. CCC and the Department=s Division of Financial Regulation appeared by counsel.

2. Pursuant to the Form A, CCC will purchase from American Continental Insurance Company (AACIC≅) 100% of the voting stock of ACLIC. Loew's Corporation controls CCC. Lawrence A. Tisch and Preston R. Tisch each currently controls, and will control after consummation of the acquisition by CCC of ACLIC, more than ten percent (10%) of the voting securities of Loew's Corporation. CCC has filed a disclaimer of affiliation with respect to the Tisches and has agreed that any issue relating to whether the Tisches control CCC: (1) may be determined through administrative proceedings relating to allowance or disallowance of such disclaimer, and (2) is unaffected by the disposition of the current administrative proceeding relating to the Form A. 3. A preponderance of evidence on the whole record fails to show that:

(A) After the acquisition of ACLIC by CCC, ACLIC will not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed;

(B) The effect of the acquisition of ACLIC by CCC will be to substantially lessen competition in insurance or tend to create a monopoly in this state;

(C) The financial condition of CCC is such as might jeopardize the financial stability of CLIC or prejudice the interests of its policyholders;

(D) CCC=s plans, if any, to liquidate or sell ACLIC or to consolidate or merge it with other companies or to make any other material change in ACLIC=s business, corporate structure, or management, would be unfair or unreasonable to policyholders of ACLIC or contrary to the public interest;

(E) The competence, experience, and integrity of CCC=s management are such that it would be contrary to the interest of policyholders of ACLIC and to the public to permit the acquisition of ACLIC by CCC;

(F) The proposed acquisition of ACLIC by CCC is likely to be hazardous or prejudicial to the insurance buying public.

<u>ORDER</u>

Based on the foregoing Findings and Conclusions, the proposed acquisition of control of American Continental Life Insurance Company by Continental Casualty Company is **APPROVED**.

Recommended this _____ day of ______, 2001.

Hearing Officer

So ordered, signed and official seal affixed this _____ day of _____, 2001.

SCOTT B. LAKIN, Director Missouri Department of Insurance