



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

IN RE: The Proposed Acquisition of Independent)
 Mutual Fire Insurance Company by)
 Independent Mutual Fire Insurance) Case No. 020909574C
 Company)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the testimony and other evidence presented, I, Scott B. Lakin, Director of Department of Insurance, State of Missouri, (“Director”) find that:

1. On or about September 5, 2002, a Form A Registration Statement was filed with the Missouri Department of Insurance (the “Department”) on behalf of Independent Mutual Fire Insurance Company (“Applicant”) in connection with the proposed acquisition of Independent Mutual Fire Insurance Company, a Missouri domestic property and casualty insurance company. On October 15, 2002, the Department issued a Notice of Hearing, ordering that a public hearing on the proposed acquisition be held at 9:30 a.m. on November 7, 2002, in Room 530 of the Truman Office Building, 301 West High Street, Jefferson City, Missouri. A public hearing was held on November 7, 2002, as scheduled. Sherry L. Doctorian appeared for the Applicant. Mark W. Stahlhuth appeared for the Department’s Division of Financial Regulation.

2. According to the Form A, the Applicant is a mutual property and casualty insurance company domiciled in the State of Illinois. Independent Mutual Fire Insurance Company, currently an extended Missouri mutual company, will convert to a regular mutual company under Chapter 379, RSMo. Immediately thereafter, it will merge with the Applicant, with the Applicant being the surviving company.

3. A preponderance of evidence on the whole record fails to show that:

A. After the acquisition of Independent Mutual Fire Insurance Company by the Applicant, Independent Mutual Fire Insurance Company, the surviving company, 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 Independent Mutual Fire Insurance Company by the Applicant will be to substantially lessen competition in insurance, or tend to create a monopoly in this state.

C. The financial condition of the Applicant is such as to jeopardize the financial stability of Independent Mutual Fire Insurance Company or prejudice the interest of its policyholders.

D. The Applicant's plans to merge Independent Mutual Fire Insurance Company with the Applicant, as set forth in the record are unfair or unreasonable to policyholders of Independent Mutual Fire Insurance Company or contrary to the public interest.

E. The competence, experience and integrity of the Applicant's management are such that it would be contrary to the interests of the policyholders of Independent Mutual Fire Insurance Company and of the public to permit the acquisition of Independent Mutual Fire Insurance Company by the Applicant.

F. The proposed acquisition of Independent Mutual Fire Insurance Company by the Applicant is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing findings and conclusions, including the commitment of the Applicant with respect to conversion as set forth in Paragraph 2, the proposed acquisition of Independent Mutual Fire Insurance Company by Independent Mutual Fire Insurance Company is hereby **APPROVED**.

So ordered, signed and official seal affixed this ____ day of _____, 2002.

SCOTT B. LAKIN, Director
Missouri Department of Insurance
State of Missouri