



DEPARTMENT OF



INSURANCE

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

IN RE: The Proposed Acquisition of Mid American)
Century Life Insurance Company by) Case No. 021211660C
Citizens, Inc.)

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 and conclude that:

1. On or about December 11, 2002, a Form A Registration Statement was filed with the Missouri Department of Insurance (the “Department”) on behalf of Citizens, Inc., (“Applicant”) in connection with the proposed acquisition of Mid American Century Life Insurance Company (“Mid American Century Life”), a Missouri domestic life insurance company. On December 17, 2002, the Department issued a Notice of Hearing, ordering that a public hearing on the proposed acquisition be held at 10:00 a.m. on January 9, 2003, in Room 530 of the Truman Office Building, 301 West High Street, Jefferson City, Missouri. A public hearing was held on January 9, 2003, as scheduled. Reid Godbolt and Mark Warren appeared for the Applicant. Mark W. Stahlhuth appeared for the Department’s Division of Financial Regulation.
2. According to the Form A, the Applicant plans to acquire control of Mid American Century Life by acquiring all of the issued and outstanding shares of First Alliance Corporation, which owns twelve percent (12%) of the voting securities of Mid American Alliance Corporation, which in turn owns ninety and one tenth percent (90.1%) of the voting securities of Mid American Century Life. The Applicant currently owns the other nine and nine tenths percent (9.9%) of the voting securities of Mid American Century Life.
3. A preponderance of evidence on the whole record fails to show that:

A. After the acquisition of Mid American Century Life by the Applicant, Mid American Century Life 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 Mid American Century Life 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 might jeopardize the financial stability of Mid American Century Life or prejudice the interest of its policyholders.

D. The Applicant's plans or proposals, if any, to liquidate Mid American Century Life, to sell its assets or to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair or unreasonable to policyholders of Mid American Century Life 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 Mid American Century Life and of the public to permit the acquisition of Mid American Century Life by the Applicant.

F. The proposed acquisition of Mid American Century Life by the Applicant is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing findings and conclusions, the proposed acquisition of Mid American Century Life Insurance Company by Citizens, Inc., is hereby **APPROVED**.

So ordered, signed and official seal affixed this ____ day of _____, 2003.

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