



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

IN RE: The Proposed Acquisition of)
 National Alliance Insurance)
 Company by Motors Insurance) Case No. 020326221C
 Corporation)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

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

1. On or about March 22, 2002, a Form A Statement was filed with the Missouri Department of Insurance (the "Department") on behalf of Motors Insurance Corporation (hereinafter "Motors"), a property and casualty insurance company organized and existing under the laws of the State of Michigan, in connection with the proposed indirect acquisition of National Alliance Insurance Company (hereinafter "National Alliance"), a Missouri stock property and casualty insurance company. On March 28, 2002, the Department issued a Notice of Hearing, ordering that a public hearing on the proposed acquisition be held at 10:30 a.m. April 18, 2002, in Room 530 of the Harry S. Truman Building, 301 West High Street, Jefferson City, Missouri. A public hearing was held as scheduled in the Notice of Hearing. Applicant and the Department's Division of Financial Regulation appeared by counsel.
2. According to the Form A Statement, Applicant will indirectly acquire 100% of the voting stock of National Alliance, through its direct acquisition of 100% of the voting stock of Affinity Group Plans, Inc. ("Affinity"), a Missouri general business corporation, which owns 100% of the voting stock of National Alliance.
3. A preponderance of evidence on the whole record fails to show that:

A. After the acquisition of National Alliance by the Applicant, National Alliance 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 acquisition of National Alliance by the Applicant will substantially lessen competition in insurance or tend to create a monopoly in this State.

C. The financial condition of Applicant is such as might jeopardize the financial stability of National Alliance or prejudice the interests of its policyholders.

D. Applicant has plans to liquidate or sell National Alliance or to consolidate or merge it with other companies or to make any other material change in National Alliance's business, corporate structure, or management that would be unfair or unreasonable to policyholders of National Alliance or contrary to the public interest.

E. The competence, experience, and integrity of Applicant's management are such that it would be contrary to the interest of policyholders of National Alliance and to the public to permit the acquisition of National Alliance by the Applicant.

F. The proposed acquisition of National Alliance by the Applicant is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing Findings and Conclusions and pursuant to the provisions of sections 382.040 to 382.060, RSMo, the acquisition of control of National Alliance Insurance Company by Motors Insurance Corporation as proposed in the Form A Statement filed in this matter is **APPROVED**.

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

SCOTT B. LAKIN, Director