



The Applicant is a Minnesota general business corporation, and is the parent company of an insurance holding company, the insurance subsidiaries of which are engaged in property-liability and life insurance business, including surety, commercial business coverage and reinsurance. On February 10, 2000, pursuant to the provision of Section 382.060.3 RSMo (1994) the Department issued a Notice of Hearing, ordering that a public hearing on the proposed acquisition be held at 10:00 a.m. on February 23, 2000, in the office of the Missouri Department of Insurance, and notice thereof was provided by Applicant to ACIC and ACLIC. A public hearing was held on February 23, 2000 at 10:00 a.m. in Room 496 of the Harry S. Truman Building, 301 West High Street, Jefferson City, Missouri. Applicant and the Department's Division of Financial Regulation appeared by counsel.

2. After the acquisition of ACIC and ACLIC by the Applicant, both companies will be able to satisfy the requirement for the issuance of a license to write the lines of insurance of which it is presently licensed.

3. The effect of the acquisition of ACIC and ACLIC by the Applicant will not substantially lessen competition in insurance or tend to create a monopoly in this state.

4. The financial condition of the Applicant is not such as might jeopardize the financial stability of ACIC or ACLIC or prejudice the interest of its policyholders.

5. Other than as set forth in the record of this applications, the Applicant has no plans to liquidate or sell ACIC or ACLIC or to consolidate or merge either with other companies or to make any other material change in the business, corporate structure, or management of ACIC or ACLIC. The Applicant's plans set forth in the record are not unfair or unreasonable to policyholders of ACIC or ACLIC or contrary to the public interest.

6. The competence, experience and integrity of the Applicant's management are such that it would not be contrary to the interest of policyholders of ACIC or ACLIC and of the public to permit the acquisition requested by the Applicant.

7. The proposed acquisition of ACIC and ACLIC by the Applicants is not likely to be hazardous or prejudicial to the insurance buying public.

**Order**

Based on the foregoing findings and conclusions, the proposed acquisition of control of or merger with ACIC and ACLIC by The St. Paul Companies is **APPROVED**.

So ordered, signed and official seal affixed this \_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
Keith A. Wenzel, Director