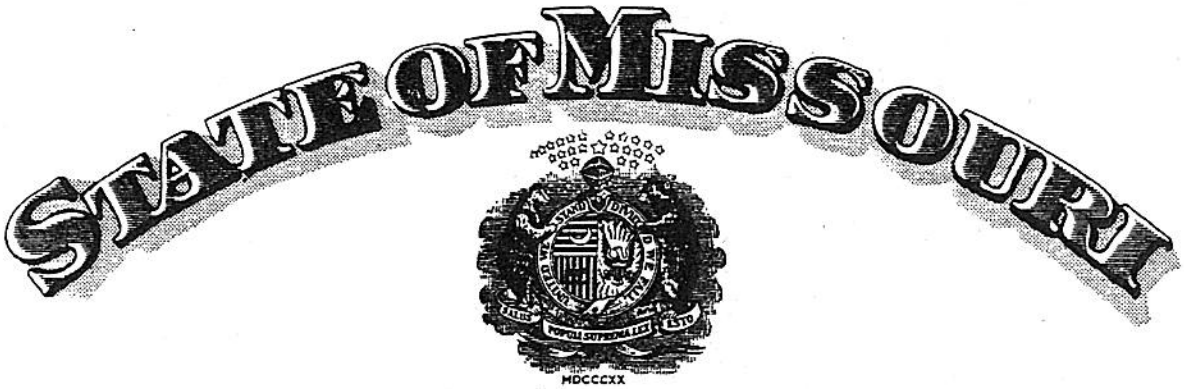

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

IN RE:	**Proposed Acquisition of:**	)	
		)	
	Individual Assurance Company, Life Health & Accident	)	**Case No. 121127611C**
		)	
	by	)	
		)	
	David A. Dillon, Donald G. Kane II, and James L. Harlin.	)	

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the competent and substantial evidence on the whole record, I, John M. Huff, Director of Insurance, Financial Institutions and Professional Registration, State of Missouri, ("Director" of the "Department") find and conclude that:

1. On November 16, 2012, David A. Dillon, Donald G. Kane II, and James L. Harlin, ("Applicants") filed a Form A Statement with the Department in connection with the proposed indirect acquisition of control of Individual Assurance Company, Life, Health & Accident ("Insurer"), a Missouri domestic property and casualty insurance company.

2. The Director issued a Notice of Hearing on Monday, November 29, 2012, for a public hearing on December 17, 2012, at 9:30 a.m. The Applicants, David A. Dillon, Donald G. Kane II, and James L. Harlin, provided timely notice of the hearing to Individual Assurance Company, Life, Health & Accident. At the December 17, 2012 hearing, Ann Monaco Warren

appeared for Applicants. Mark W. Stahlhuth appeared for the Department's Division of Insurance Company Regulation.

3. Applicants will acquire indirect control of Insurer pursuant to a Shareholder's Agreement, as amended, dated April 6, 2011, between Applicants, Individual Assurance Company Group, Inc., the Shareholders of the Insurer, and the Investors as listed in the Shareholders Agreement.

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

A. After the acquisition of control of the Insurer by Applicants, Insurer will be unable to satisfy the requirements for the issuance of licenses to write the lines of insurance for which it is presently licensed.

B. The effect of the acquisition of control of Insurer will be to substantially lessen competition in insurance, or tend to create a monopoly in this state.

C. The financial condition of Applicants is such as might jeopardize the financial stability of Insurer or prejudice the interest of the policyholders of Insurer, so long as Insurer writes no more than six million dollars annually in net direct and assumed premium.

D. Applicants' plans or proposals, if any, to liquidate Insurer, to sell its assets, to consolidate or merge with any person, or to make any other material change in its business or corporate structure or management is unfair or unreasonable to policyholders of Insurer, or contrary to the public interest.

E. The competence, experience and integrity of Applicants' management are such that it would be contrary to the interests of the policyholders of

Insurer and of the public to permit the acquisition of Insurer by Applicants.

F. The proposed acquisition of Insurer by Applicants is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing findings and conclusions, the proposed indirect acquisition of control of Individual Assurance Company, Life, Health & Accident by David A. Dillon, Donald G. Kane II, and James L. Harlin, as submitted in the Form A Statement is hereby **APPROVED WITH CONDITION**, namely that until further order of the Director, Individual Assurance Life, Health & Accident writes no more than six million dollars annually in direct and assumed premium, net of ceded reinsurance.

So ordered, signed and official seal affixed this 18th day of December, 2012.

JOHN M. HUFF, Director