

JUL 10 2018

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

IN THE MATTER OF THE)	FINDINGS OF FACT, CONCLUSIONS
ACQUISITION OF CONTROL OF)	OF LAW, AND ORDER
GOOD SAMARITAN INSURANCE)	
PLAN OF NEBRASKA, LLC)	CAUSE NO.: C-2424
)	

On May 22, 2018, Vetter Holding, Inc. (“Applicant”) filed an application (“Form A”) seeking approval to acquire control of Good Samaritan Insurance Plan of Nebraska, LLC (“Good Samaritan”), a Nebraska domestic insurer. The application was filed pursuant to the Insurance Holding Company System Act, Neb. Rev. Stat. §§ 44-2120 to 44-2153 (“Act”), on May 22, 2018. Applicant waived the notice requirements set forth in Neb. Rev. Stat. §§ 44-2120 to 44-2153, including but not limited to the notice provisions of Neb. Rev. Stat. § 44-2127. A Notice of Public Hearing was issued on June 29, 2018.

On July 9, 2018, a public hearing was held at the Nebraska Department of Insurance (“Department”). Director of the Nebraska Department of Insurance, Bruce R. Ramage presided over the hearing. Brandis Bauer, a licensed Notary Public, was present and recorded the hearing. Matt Holman, General Counsel, and Lindsay Crawford, Deputy Chief Examiner, represented the Department.

Applicant was represented by, and presented testimony in favor of the acquisition through, Glenn Van Ekeren, President of Applicant. Exhibits were offered by the Department and received into the record. Applicant provided Good Samaritan with notice of the hearing, and Good Samaritan waived the notice requirement as set forth in Neb. Rev. Stat. § 44-2127(2) in an effort to expedite the review and hearing process. No

testimony or documentary evidence was offered in opposition to the proposed acquisition.

On the basis of the filings, correspondence and information provided to the Department, the Director approves the application and finds, concludes, and recommends as follows:

FINDINGS OF FACT

1. On May 22, 2018, the Department received a verified Form A from Applicant for approval to acquire control of Good Samaritan through a Stock Purchase Agreement. The application was filed pursuant to the Act, specifically Neb. Rev. Stat. § 44-2126. The Stock Purchase Agreement will result in Applicant acquiring a 35% interest in Good Samaritan as control is defined in the Act.

2. Good Samaritan is a domestic health maintenance organization organized under and governed by the laws of the State of Nebraska. Good Samaritan obtained its Certificate of Authority to transact the business of a health maintenance organization in this state on April 24, 2017.

3. Applicant is a holding company formed under the laws of the Nebraska for the purposes of owning and operating nursing home, assisted living, and independent living communities. Good Samaritan currently offers insurance products to residents of Applicant's facilities.

4. Following the transaction, Good Samaritan will be 35% owned by Applicant. Good Samaritan Insurance Plan, LLC will remain the majority stock holder, owning 65% of Good Samaritan.

5. The Stock Purchase Agreement provides for Applicant to acquire 35% of the issued and outstanding capital stock of Good Samaritan. The purchase price will be \$1,240,750.00.

6. No changes to the organizational documents of Good Samaritan will be made as a result of the acquisition. Applicant has identified the change of Good Samaritan's directors post-acquisition which have been outlined in the Form A. Other than in the normal course of business, Applicant has no plans or proposals to cause Good Samaritan to declare an extraordinary dividend, to liquidate Good Samaritan, or to sell its assets to any person or persons. Applicant has no plans to make any material changes to the business or operations of Good Samaritan.

8. Applicant has filed all the documents and information required by law and requested by the Department.

CONCLUSIONS OF LAW

1. The Department and Director have jurisdiction over the subject matter of this proceeding.

2. On the basis of the materials filed, correspondence received and evidence presented at the hearing, the Director concludes as follows:

- a. After the acquisition, Good Samaritan will satisfy the requirements for a Certificate of Authority to conduct business of insurance in the State of Nebraska and write the lines of insurance for which it is presently licensed.
- b. The effect of the acquisition will not substantially lessen the competition in insurance in the State of Nebraska nor tend to create a monopoly therein nor violate the laws of the State of Nebraska.

- c. The financial condition of Applicant is such that it would not jeopardize the financial stability of Good Samaritan or prejudice the interest of the policyholders of Good Samaritan.
- d. Applicant has no plans or proposals to liquidate Good Samaritan, to sell the assets of Good Samaritan without the approval of the Department, to consolidate or merge Good Samaritan with any person or persons without approval of the Department, or to make any other material change in the business operations or corporate structures or management which would be unfair and unreasonable to policyholders of Good Samaritan and not in the public interest.
- e. The competence, experience and integrity of those persons who would control the operation of Good Samaritan are such that it would be in the interest of the policyholders of Good Samaritan and the public to allow the acquisition.
- f. Applicants are not subject to the provisions of Neb. Rev. Stat. § 44-6115 under the Demutualization Act; and
- g. The acquisition of control is not likely to be hazardous or prejudicial to the public.

ORDER

IT IS THEREFORE ORDERED that the Form A Application be approved subject to the following condition:

Within fifteen (15) days after the end of the month in which the transaction closes, Applicant shall cause to be filed with the Department an Insurance Holding Company System Registration Statement, and any other filings required, in accordance with Neb. Rev. Stat. § 44-2132, et seq.

Dated this 10 day of July, 2018

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



BRUCE RAMGE
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Order was sent to Aaron Dunlap, Vetter Holding, Inc., 20220 Harney Street, Elkhorn, NE 68022 by U.S. Mail, postage prepaid, on this 10 day of July, 2018.

Brandis Bauer