

DEC 12 2023

**BEFORE THE DIRECTOR OF INSURANCE
FOR THE STATE OF NEBRASKA**

FILED

IN THE MATTER OF THE ACQUISITION OF)	FINDINGS OF FACT,
CONTROL OF AMERICAN LIFE & SECURITY)	CONCLUSIONS OF LAW
CORP.)	AND ORDER
)	
)	
)	
)	CAUSE No.: C-2913

On May 26, 2023, a Form A Statement Regarding the Acquisition of Control of American Life & Security Corp. (the “Form A”) was filed by Antarctica Midwest Investment Partners, LP, Midas Parent LP, Antarctica GP Investments III, LLC, Antarctica Investment Advisers, LLC, And Chandra R. Patel (the “Applicants”) with the Nebraska Department of Insurance (the “Department”) seeking approval to acquire control of American Life & Security Corp. (“ALSC”), a Nebraska domestic insurer. The Form A was filed pursuant to the Insurance Holding Company System Act, Neb. Rev. Stat. §§ 44-2120 to 44-2155 (the “Act”). The filing was subsequently supplemented multiple times, with the final supplement being received by the Department on or about November 14, 2023. A Notice of Public Hearing was issued on December 6, 2023.

On December 12, 2023, a public hearing was held before the Department. Eric Dunning, the Director of the Department, presided over the hearing. Thomas and Thomas, a registered professional court reporter, was present and recorded the hearing.

The Applicants were present and represented by Ann Frohman of Frohman Law Office LLC. The Applicants presented testimony in favor of the acquisition through Chandra R. Patel, individual applicant and majority owner of Antarctica Capital, LLC (“Antarctica Capital”), and Inho Choi, Managing Director of Antarctica Capital. Exhibits were offered by the Applicants and received into

the record without objection. The Applicants and ALSC waived notice of the hearing as required pursuant to Neb. Rev. Stat. § 44-2127(2).

The Department was present and represented by Michael W. Anderson. Exhibits were offered by the Department and received into the record without objection. Questions were asked and answered. ALSC was present at the hearing and did not offer any written testimony or exhibits. The Department supports the acquisition of ALSC by the Applicants.

On the basis of the testimony and evidence submitted at the hearing, the hearing officer finds and concludes as follows:

FINDINGS OF FACT

1. On or about May 26, 2023, the Department received a Form A application from the Applicant for approval to acquire control of ALSC through an agreement and plan of merger (the “Merger Agreement”) entered into with Midwest Holding, Inc., a publicly traded Delaware corporation and the present controlling party of ALSC (“Midwest”). The Form A and subsequent amendments were filed pursuant § 44-2126 of the Act. The Merger Agreement will result in the Applicants gaining control of ALSC as control is defined in the Act.

2. ALSC is a domestic insurer organized under and governed by the laws of the State of Nebraska. ALSC obtained its Certificate of Authority to transact the business of life and health insurance in this state on December 12, 1988. ALSC is currently a stock-based life and health insurance company and a wholly owned subsidiary of Midwest.

3. The Applicants are primarily engaged in private investments and asset management.

4. On April 30, 2023, the Applicants executed the Merger Agreement, pursuant to which an acquisition vehicle affiliated with the Applicants will merge with and into Midwest, with Midwest surviving and becoming a subsidiary of the Applicants (the “Merger”). As a result of the Merger, Midwest will become a privately held subsidiary of the Applicants, and the Applicants will indirectly

acquire and control 100% of ALSC. The closing of the transaction is to take place, unless the Applicants and Midwest should mutually agree otherwise, no later than three (3) business days following the satisfaction or waiver of various conditions. Those conditions include receipt of all required regulatory approvals, including approval of the Director of the Department.

5. As consideration for the transaction and pursuant to the Merger Agreement, the Applicants shall pay Midwest's shareholders approximately \$102,000,000 in cash.

6. The Applicants have no current plans to cause ALSC to pay any extraordinary dividends, to liquidate ALSC, to sell the assets of ALSC, or to merge ALSC with any person. The Applicants do not intend to make any other material change to ALSC's business, corporate structure or management that would be unfair or unreasonable to ALSC's policyholders or contrary to the public interest.

7. The Applicants have filed all the documents and information required by law and requested by the Department.

8. The Department's Chief Financial Examiner, Lindsay Crawford, reviewed all documents related to the Form A application and oversaw and coordinated the review of such documents by other Department examination division staff. She also worked closely with the Applicant to fully analyze the transaction.

9. The Department's Chief Financial Examiner is of the opinion that the transaction as structured will not jeopardize the financial stability of ALSC or prejudice the interest of ALSC's policyholders. She is of the further opinion that the Applicants' proposed transaction and operational plans are not unfair or unreasonable to ALSC's policyholders or prejudicial to the public.

10. The Applicants are committed to informing all policyholders of their acquisition of ALSC promptly upon completing the transaction and in any event within approximately forty-five (45) days following the effective date of the acquisition.

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 following conclusions are made as to the requirements of Neb. Rev. Stat. § 44-2127(1):
 - a. After the change of control, ALSC will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
 - b. The acquisition of control would not substantially lessen competition in insurance in this state or tend to create a monopoly therein;
 - c. The financial condition of any of the Applicants, including any equity and financing commitments obtained from third parties, will not jeopardize the financial stability of the insurer or prejudice the interest of policyholders of the insurer;
 - d. The Applicants have no current plans or proposals to liquidate ALSC, to sell its assets, to consolidate or merge it with any person, or to make any other material change to ALSC's business, corporate structure or management that would be unfair or unreasonable to ALSC's policyholders or contrary to the public interest;
 - e. The competence, experience, and integrity of those persons who would control the operation of ALSC is sufficient to reasonably assure that permitting the acquisition of control would not adversely affect the interests of ALSC's policyholders or of the public;
 - f. The requirements of Neb. Rev. Stat. § 44-6115 are not applicable to this Form A application; and
 - g. The acquisition will not be hazardous or prejudicial to the public.

ORDER

IT IS THEREFORE ORDERED that the Applicants' Form A application to acquire American Life & Security Corp. be approved, subject to the following conditions:

1. The Applicants and ALSC shall ensure that the directors, officers, employees and investors in ALSC understand and comply with the laws, regulation and bulletins of Nebraska, including all regulatory standards.

2. Within fifteen (15) days after closing, the Applicants shall file 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 12 day of December, 2023.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE


ERIC DUNNING
Director of Insurance

Prepared by:
Michael W. Anderson
Legal Counsel
Nebraska Department of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Order was sent to Ann. M. Frohman, Esq., Frohman Law Office, LLC, via email to ann@frohmanlaw.com, with a copy to Larry Harr via email to lharr@ldmlaw.com.

Shelly Stone
12/13/23