

CERTIFICATION

June 19, 2012

I, Bruce R. Range, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of

Report of Examination of Financial Condition

American Republic Corp Insurance Company
as of

December 31, 2010

and is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.



Bruce R. Range

DIRECTOR OF INSURANCE

AMERICAN REPUBLIC CORP INSURANCE COMPANY

11808 GRANT STREET

OMAHA, NEBRASKA 68164

Financial Condition

Report of Examination

as of

December 31, 2010

**STATE OF NEBRASKA
DEPARTMENT OF INSURANCE**

JUN 19 2012

FILED

States Participating

Nebraska and Iowa

TABLE OF CONTENTS

| <u>Item</u> | <u>Page</u> |
|--|-------------|
| Salutation | 1 |
| Introduction..... | 2 |
| Scope of Examination..... | 2 |
| Description of Company: | |
| History | 5 |
| Management and Control: | |
| Holding Company..... | 6 |
| Shareholder | 6 |
| Board of Directors..... | 7 |
| Officers..... | 8 |
| Committees | 9 |
| Transactions/Agreements with Affiliates | 9 |
| Territory and Plan of Operation..... | 10 |
| Reinsurance: | |
| Ceded – Accident and Health | 11 |
| Ceded – Life..... | 12 |
| General..... | 12 |
| Body of Report: | |
| Growth | 12 |
| Financial Statements | 13 |
| Examination Changes In Financial Statements..... | 15 |
| Compliance with Previous Recommendations | 15 |
| Commentary on Current Examination Findings: | |
| Custodial Agreement | 15 |
| Summary of Comments and Recommendations: | |
| Custodial Agreement | 16 |
| Acknowledgment..... | 17 |

Omaha, Nebraska
June 1, 2012

Honorable Joseph Torti, III
Chairman, Financial Condition (E) Committee, NAIC
Superintendent of Insurance & Banking
Rhode Island Division of Insurance
1511 Pontiac Avenue, Bldg #69-2
Cranston, Rhode Island 02920

Honorable John M. Huff
Chair, Midwestern Zone, NAIC
Director of Insurance
Missouri Department of Insurance
301 W. High Street, Suite 530
Jefferson City, Missouri 65101

Honorable Susan E. Voss
Commissioner of Insurance
Iowa Insurance Division
330 Maple Street
Des Moines, Iowa 50319

Honorable Bruce R. Ramage
Director of Insurance
Nebraska Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508

Sirs and Madam:

Pursuant to your instructions and authorization, and in accordance with statutory requirements, an Association Examination has been conducted of the financial condition and business affairs of the

AMERICAN REPUBLIC CORP INSURANCE COMPANY

which has its Statutory Home Office located at:

11808 Grant Street
Omaha, Nebraska 68164

with its Principal Executive Offices located at:

601 Sixth Avenue
Des Moines, Iowa 50309

(hereinafter also referred to as the “Company”) and the report of such examination is respectfully presented herein.

INTRODUCTION

The Company was last examined as of December 31, 2005, with examiners from the state of Nebraska participating therein. The current financial condition examination covered the period from January 1, 2006 to December 31, 2010, and included such subsequent events and transactions as were considered pertinent. Examiners from the States of Nebraska and Iowa participated in this examination and assisted in the preparation of this report.

SCOPE OF EXAMINATION

The examination was completed under coordination of the holding company group approach with the Iowa Office of the Commissioner of Insurance as the coordinating state and the Nebraska Department of Insurance. The examined companies consist of one Iowa domesticated insurer – American Republic Insurance Company and three Nebraska domesticated insurers – World Insurance Company, World Corp Insurance Company, and American Republic Corp Insurance Company. All affiliates benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applied procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination

procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

The examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook and Section 44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and Annual Statement instructions when applicable to domestic state regulations.

A general review and survey was made of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. Its history was traced and has been summarized in this report under the caption "Description of Company". All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the stockholders, Board of Directors and committees held during the examination period were read and noted.

Attendance at meetings, proxy information, election of Directors and Officers, and approval of investment transactions were noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed. Certificates of Authority to conduct the business of insurance in the various states were inspected and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review, as developed from the Company's filed Annual Statements for the examination period, is reflected in the "Body of Report" section of this report.

The Company's reinsurance facilities were ascertained and noted, and have been commented upon in this report under the caption "Reinsurance". Accounting records and procedures were tested to the extent deemed necessary, including a review of internal controls and allocation procedures. Its method of claim handling and all procedures pertaining to the adjustment and payment of incurred losses were also noted.

The assets were verified and evaluated and the liabilities and reserves determined, as deemed necessary by the pre-planning process, in order to present herein a statement of the Company's financial condition as of December 31, 2010. This included a review of the work papers prepared by Ernst & Young LLP, the Company's auditors, during their audit of the Company's accounts for the year-ended December 31, 2010. A portion of the auditors' work papers have been incorporated into the work papers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. Said utilization was performed pursuant to Title 210 (Rules of Nebraska Department of Insurance), Chapter 56, Section 013.

DESCRIPTION OF COMPANY

History

The Company was incorporated under the laws of the Commonwealth of Pennsylvania and commenced business in 1962 as the Pennsylvania National Life Insurance Company. At the time, the Pennsylvania National Mutual Casualty Insurance Company controlled the Company. In 1994, MidAmerica Mutual Life Insurance Company changed the name of the Company to MidAmerica Life Insurance Company. World Insurance Company acquired the Company on April 1, 1997 due to the merger of its parent, MidAmerica Mutual Life Insurance Company, with World Insurance Company. The Company was subsequently re-domiciled from Pennsylvania to Nebraska on December 2, 1997.

On May 18, 2006, the Company amended its Articles of Incorporation and By-Laws to change the Company's corporate name to American Republic Corp Insurance Company. The Company filed the Amended Articles of Incorporation with the Nebraska Department of Insurance and the Nebraska Secretary of State on May 19, 2006.

On December 4, 2007, the Board of Directors of World insurance Company adopted a resolution declaring a stock dividend to its sole shareholder, American Enterprise Group, Inc. (AEG), consisting of all the outstanding common stock of the Company. On January 1, 2008, the stock dividend was distributed to AEG and AEG in turn, transferred the stock as a capital contribution to American Republic Insurance Company.

The Company's current certificate of authority authorizes it to write Life and Sickness and Accident insurance in the State of Nebraska pursuant to Neb. Rev. Stat. Section 44-201.

Management and Control

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. Following is an organization listing flowing from the "Ultimate Controlling Person" as reported in its 2010 Annual Statement:

American Enterprise Mutual Holding Company
American Enterprise Group, Inc.
American Republic Insurance Company
American Republic Equities Corporation
American Republic Corp Insurance Company
Americare Marketing, LLC
American Enterprise Services Company
The Entrecor Group, Inc.
World Insurance Company
World Corp Insurance Company
WICO, Inc.
Western Reserve Administrative Services

Shareholder

Article VII of the Company's Articles of Incorporation state, "the aggregate number of shares of stock that the Company is authorized to issue is Fifteen Thousand (15,000) shares of common stock, each with a par value of One Hundred Dollars (\$100) per share". All such shares were issued and outstanding in the name of American Republic Insurance Company, at December 31, 2010. Gross paid in and contributed surplus totaled \$5,994,115 at year-end 2010. The Company paid an ordinary dividend of \$720,000 to World Insurance Company in 2006 before the Company's stock being transferred to American Republic Insurance Company; no other dividends were paid during the period under review.

Article III of the Company's By-Laws state, "the annual meeting of the shareholders for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held on the first Tuesday in March of each year, or at such other date as the Board

of Directors should fix, which date should be on or before the thirtieth day of June in each and every calendar year”.

Board of Directors

Article IX of the Company’s Articles of Incorporation state, “the affairs of this Company and management of its business shall be under the control of a Board of Directors. The number of Directors constituting the Board of Directors upon adoption of these Amended and Restated Articles of Incorporation shall not be less than five and at least one Director must be a resident of Nebraska. The total number of Directors shall be divided into three classes, as nearly equal in number as possible. Each Director shall serve a term of approximately three years, except where it is necessary to fix a shorter term in order to establish or preserve the classification”. The By-Laws state that, “the exact number of Directors shall be determined from time to time by resolution of the Board of Directors”.

Members of the Company's Board of Directors, together with their principal occupation and the expiration year of their current term, duly elected and serving at December 31, 2010, were as follows:

| <u>Name and Residence</u> | <u>Principal Occupation</u> | <u>Term Expire</u> |
|---|--|---------------------------|
| Michael E. Abbott Des Moines, IA | Chairman, President, and Chief Executive Officer, American Enterprise Mutual Holding Company | 2011* |
| Brian S. Fellner West Des Moines, IA | Senior Vice President, Chief Financial Officer and Treasurer, American Enterprise Mutual Holding Company | 2011* |
| Tom D. Eilers Omaha, NE | Retired, Former Chairman and President of World Insurance Company | 2012 |

| <u>Name and Residence</u> | <u>Principal Occupation</u> | <u>Term Expire</u> |
|---|--|--------------------|
| Michael C. Fitzgerald Des Moines, IA | Vice President, General Counsel, and Assistant Secretary, American Enterprise Mutual Holding Company | 2012 |
| Michele M. Barker Des Moines, IA | Assistant Vice President and Assistant General Counsel, American Enterprise Services Company | 2013 |

*Re-elected in 2011 for a term expiring in 2014.

All Directors of American Enterprise Mutual Holding Company, American Enterprise Group, Inc., and certain direct owned subsidiaries of the holding company consisting of American Enterprise Services Company, American Republic Insurance Company, and World Insurance Company receive compensation paid by American Enterprise Group, Inc. An annual retainer fee in the amount of \$35,000 is paid in equal monthly installments on the last day of each month to each Director to compensate the Director for services as a Director of the holding company and its affiliates.

Officers

The By-Laws provide that, “the Executive Officers of the Company shall be a Chairman of the Board, a President, one of who shall be designated by the Board as the Chief Executive Officer, and a Secretary. The Company shall have such other Officers as may from time to time be appointed by the Chief Executive Officer. One person may hold the offices and perform the duties of any two or more said offices”.

Executive Officers elected and serving the Company at December 31, 2010 were as follows:

| <u>Name</u> | <u>Title</u> |
|--------------------|---|
| Michael E. Abbott | Chairman of the Board, President, and Chief Executive Officer |
| Mary K. Durand | Secretary |

The following appointed officers were serving the Company at December 31, 2010:

| <u>Name</u> | <u>Title</u> |
|-----------------------|---|
| Brian S. Fellner | Senior Vice President, Chief Financial Officer, and Treasurer |
| Michael C. Fitzgerald | General Counsel |
| Elizabeth A. Powell | Senior Vice President Health Markets |
| Thomas W. Peterson | Senior Vice President Medicare Markets |

Committees

The Company's By-Laws allow the Board to appoint such committees as may in its judgment be necessary. An Investment Committee has been set in the Investment Policy which is approved by the Board of Directors. The following were members at December 31, 2010:

Michael E. Abbott
Alton R. Cogert
Brian S. Fellner

American Enterprise Mutual Holding Company's (AEMHC) Audit Committee is the Audit Committee serving the entire holding company system, including the Company. The Audit Committee consists of the members of AEMHC's Board of Directors.

Transactions/Agreements with Affiliates

The Company and its affiliates are parties to an Employee Services Agreement (ESA). The effective date of the Agreement is January 1, 2007. The ESA provides for sharing of services between the entities, which include, but are not limited to: financial services, technology services, customer service center, human resources, legal, marketing, risk selection, facility management, executive, medical and network management, claims, sales, and product

management. Charges for services provided are to be determined in accordance with fair and reasonable standards. Each recipient company agrees to reimburse the service provider for all direct cost incurred on their behalf. Direct costs include all costs incident to any employees or independent contractors employed or retained in rendering the service including compensation, benefits and taxes, and the cost of other reasonable and necessary business expenses. The net amount of services and materials received and provided during 2010 was \$7,032,382.

The Company's reinsurance agreements with affiliates are described in this report under the caption "Reinsurance".

Effective beginning with the 2008 tax year, the Company became a party to the Tax Allocation Agreement between American Enterprise Mutual Holding Company and all of its wholly-owned subsidiaries which file a consolidated federal income tax return. The consolidated federal income tax liability or benefit of each member shall be that amount, which each would be required to pay as federal income taxes or be entitled to as an income tax benefit if they had each filed an income tax return on a separate return basis.

Territory and Plan of Operation

As evidenced by current or continuous Certificates of Authority, the Company holds Certificates of Authority as an insurance company, with full rights and authority to do business, as set forth under the laws and regulations of the following states and territories as of December 31, 2010:

| | | |
|----------------------|-------------|----------------|
| Alabama | Louisiana | Oklahoma |
| Arizona | Maryland | Oregon |
| Arkansas | Minnesota | Pennsylvania |
| Colorado | Mississippi | South Carolina |
| Delaware | Missouri | South Dakota |
| District of Columbia | Montana | Tennessee |
| Georgia | Nebraska | Texas |
| Illinois | Nevada | Utah |

Indiana
Iowa
Kansas
Kentucky

New Mexico
North Carolina
North Dakota
Ohio

Virginia*
West Virginia
Wisconsin
Wyoming

* Under the name of American Republic Corp of Virginia Insurance Company

As of December 31, 2010, the Company had 21,039 insurance policies in force. The Company is an accident and health insurer that had previously focused on both individual and group major medical markets. The Company currently focuses on marketing Medicare Supplement and other medical insurance products through career agents. Going forward the Company will be the focus for new senior product development, including Medicare Supplement and other products such as senior life products to be sold in conjunction with the Medicare Supplement insurance.

Reinsurance

Ceded - Accident and Health

Effective November 10, 2008, the Company entered into a coinsurance agreement to cede 50% of the Company's Medicare supplement policies sold by American Family agents to World Insurance Company. The Company paid \$1,683,301 in reinsurance premium under this agreement in 2010.

Effective November 10, 2008, the Company entered into a coinsurance agreement to cede 50% of the Company's Medicare supplement policies sold by American Family agents to American Standard Insurance Company of Wisconsin. The Company paid \$1,683,301 in reinsurance premium under this agreement in 2010.

On April 1, 2010, the Company entered into an intercompany coinsurance agreement to cede 100% of its Medicare supplement business, not subject to existing reinsurance agreements, to American Republic Insurance Company. There was a total of \$24,045,337 in premium paid under this agreement during 2010.

Ceded – Life

On April 1, 2010, the Company entered into an intercompany coinsurance agreement to cede 100% of its life insurance business to American Republic Insurance Company. There was a total of \$29,780 in premium paid under this agreement during 2010.

General

Each of the Company's reinsurance agreements contains an appropriate insolvency clause and termination provisions providing adequate notice of cancellation, as well as intermediary clauses where necessary.

BODY OF REPORT

Growth

The following comparative data reflects the growth of the Company for the period under review:

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Admitted assets | \$8,584,711 | \$8,597,856 | \$9,650,877 | \$14,405,519 | \$19,441,242 |
| Total liabilities | 312,858 | 602,339 | 2,529,746 | 6,571,678 | 12,304,195 |
| Capital and surplus | 8,271,853 | 7,995,517 | 7,121,131 | 7,833,841 | 7,137,047 |
| Premiums | 468,908 | 789,190 | 5,900,680 | 20,613,030 | 7,483,641 |
| Net investment income | 397,251 | 368,453 | 356,831 | 441,687 | 435,450 |
| Net income | 216,513 | (253,389) | (437,058) | 709,253 | (606,880) |

Financial Statements

The following statement of admitted assets and liabilities, together with the accompanying summary of operations and selected supporting exhibits, reflect the financial condition of the Company as of December 31, 2010, and its transactions for the year 2010 as determined through this examination. A reconciliation of the surplus account for the most recent five-year period is also included:

FINANCIAL STATEMENT **December 31, 2010**

| <u>Assets</u> | <u>Ledger</u> <u>Assets</u> | <u>Non-Admitted</u> <u>Assets</u> | <u>Net</u> <u>Admitted</u> <u>Assets</u> |
|--|---|---|---|
| Bonds | \$ 7,877,448 | | \$ 7,877,448 |
| Cash and short-term investments | 1,429,127 | | 1,429,127 |
| Receivable for securities | <u>2,313</u> | | <u>2,313</u> |
| Subtotals, cash and invested assets | \$ 9,308,888 | | \$ 9,308,888 |
| Investment income due and accrued | 95,703 | | 95,703 |
| Amounts recoverable from reinsurers | 6,243,814 | | 6,243,814 |
| Other amounts receivable under reinsurance contracts | 2,991,346 | | 2,991,346 |
| Current federal income tax recoverable | 375,539 | | 375,539 |
| Net deferred tax asset | 305,470 | \$215,177 | 90,293 |
| Guaranty funds receivable or on deposit | 105,152 | | 105,152 |
| Health care and other amounts receivable | 578,048 | 578,048 | |
| Miscellaneous deposits | <u>239,931</u> | <u>9,424</u> | <u>230,507</u> |
| Totals | <u>\$20,243,981</u> | <u>\$802,649</u> | <u>\$19,441,242</u> |

Liabilities, Surplus and Other Funds

| | |
|--|---------------------|
| Other amounts payable on reinsurance | \$10,550,046 |
| Interest maintenance reserve | 283,897 |
| Commissions to agents due | 7,571 |
| General expenses due or accrued | 171,465 |
| Taxes, licenses and fees due or accrued | 343,104 |
| Amounts held for agents account | 10,054 |
| Remittances and items not allocated | 54,649 |
| Asset valuation reserves | 24,778 |
| Payable to parent, subsidiaries and affiliates | 851,191 |
| Reserves – abandoned property | <u>7,440</u> |
| | |
| Total liabilities | <u>\$12,304,195</u> |
| | |
| Common capital stock | \$ 1,500,000 |
| Gross paid in and contributed surplus | 5,994,115 |
| Unassigned funds (surplus) | <u>(357,068)</u> |
| | |
| Total capital and surplus | <u>\$ 7,137,047</u> |
| | |
| Total | <u>\$19,441,242</u> |

SUMMARY OF OPERATIONS - 2010

| | |
|--|---------------------|
| Premiums | \$ 7,483,641 |
| Net investment income | 435,450 |
| Amortization of interest maintenance reserve | 34,525 |
| Commissions and expense allowances on reinsurance ceded | 8,866,515 |
| Miscellaneous income | <u>46,325</u> |
| | |
| Totals | <u>\$16,866,456</u> |
| | |
| Disability benefits and benefits under accident and health contracts | \$ 5,623,899 |
| Increase in aggregate reserves for life and accident and health | <u>367,554</u> |
| | |
| Totals | <u>\$ 5,991,453</u> |
| | |
| Commissions on premiums | \$ 3,900,047 |
| General insurance expenses | 7,400,087 |
| Insurance taxes, licenses and fees | <u>629,568</u> |
| | |
| Totals | <u>\$17,921,155</u> |
| | |
| Net gain from operations before federal income taxes | \$ (1,054,699) |
| Federal income taxes incurred | <u>(441,170)</u> |

| | |
|---|---------------------|
| Net gain from operations after federal income taxes and before realized capital gains | \$ (613,529) |
| Net realized capital gains (losses) | <u>6,649</u> |
| Net income | <u>\$ (606,880)</u> |

CAPITAL AND SURPLUS ACCOUNT

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-----------------------------------|---------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Capital and surplus, beginning | \$8,741,483 | \$8,271,853 | \$7,995,517 | \$7,121,131 | \$7,833,841 |
| Net income | \$ 216,513 | \$ (253,389) | \$ (437,058) | 709,253 | (606,880) |
| Change in net deferred income tax | (13,815) | 22,940 | 249,468 | 163,086 | (174,409) |
| Change in non admitted assets | 12,698 | (42,544) | (672,301) | (149,932) | 62,128 |
| Change in asset valuation reserve | 34,974 | (3,343) | (14,495) | (9,697) | 22,367 |
| Dividends to stockholders | <u>(720,000)</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net change for the year | <u>\$ (469,630)</u> | <u>\$ (276,336)</u> | <u>\$ (874,386)</u> | <u>\$ 712,710</u> | <u>\$ (696,794)</u> |
| Capital and surplus, ending | <u>\$8,271,853</u> | <u>\$7,995,517</u> | <u>\$7,121,131</u> | <u>\$7,833,841</u> | <u>\$7,137,047</u> |

Examination Changes in Financial Statements

Unassigned funds (surplus) in the amount of (\$357,068), as reported by the Company in its 2010 Annual Statement, has been accepted for purposes of this examination.

Compliance with Previous Recommendations

There were no recommendations appearing in the last previous report of examination.

Commentary on Current Examination Findings

The following comments and recommendations have been made as a result of this examination:

Custodial Agreement

The Company's securities are held with a custodial bank. A review of the custodial agreement noted that it did not contain all of the provisions related to safeguards and controls of

securities pursuant to Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 81 in particular 003.02(b), 003.02(f), 003.02(g), 003.02(g)(i), 003.02(g)(ii), 003.02(i) 003.02(j), 003.02(n), and 003.02(o).

It is recommended that the Company revise its custodial agreement to include all provisions related to safeguards and controls of securities pursuant to Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 81.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

1. **Custodial Agreement** - It is recommended that the Company revise its custodial agreement to include all provisions related to safeguards and controls of securities pursuant to Title 210 (Nebraska Department of Insurance Rules and Regulations), Chapter 81.

ACKNOWLEDGEMENT

The courtesy and cooperation extended by the Officers and employees of the Company during the course of this examination is hereby acknowledged.

In addition to the undersigned, Kimberly A. Hurst, CFE, Financial Examiner; Bill Schmid, Information Systems Specialist, both with the Nebraska Department of Insurance; and Financial Examiners, Information Systems Specialist, and Actuarial Examiner with or contracted by the Iowa Office of the Commissioner of Insurance, participated in this examination and assisted in the preparation of this report.

Respectfully submitted,



Linda K. Scholl, CFE
Examiner-in-Charge
Nebraska Department of Insurance

State of Nebraska,

County of Lancaster,

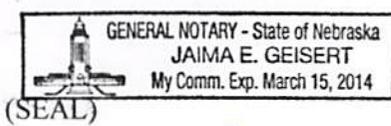
Linda K. Scholl, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of American Republic Corp Insurance Company.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of American Republic Corp Insurance Company was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.


Examiner-in-Charge's Signature

Subscribed and sworn before me by Jaime Geisert on this 21 day of June, 20 12.




Notary Public

My commission expires March 15, 2014 [date].

AFFIDAVIT

Affidavit of: Michael E. Abbott, Chairman

State: Iowa

County: Polk

Michael E. Abbott, Affiant, of lawful age and being duly sworn upon oath states as follows:

I hereby certify that I am a member of the Board of Directors of American Republic Corp Insurance Company.

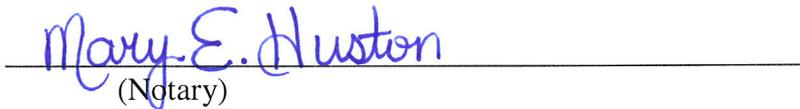
I hereby certify that I received for the State of Nebraska a copy of the American Republic Corp Insurance Company Financial Condition Report of Examination as of December 31, 2010.



Michael E. Abbott, Chairman

Subscribed and sworn on this 9 day of July, 2012, and known to me to be the Chairman of American Republic Corp Insurance Company.

Witness My Hand and Official Seal



(Notary)

SEAL

My Commission expires 12-9-12

12-9-12

AFFIDAVIT

Affidavit of: Michelle M. Casper Barker, Director

State: Iowa

County: Polk

Michelle M. Casper Barker, Affiant, of lawful age and being duly sworn upon oath states as follows:

I hereby certify that I am a member of the Board of Directors of American Republic Corp Insurance Company.

I hereby certify that I received for the State of Nebraska a copy of the American Republic Corp Insurance Company Financial Condition Report of Examination as of December 31, 2010.

Michelle M Casper Barker
Michelle M. Casper Barker, Director

Subscribed and sworn on this 3rd day of July, 2012, and known to me to be a Director of American Republic Corp Insurance Company.

Witness My Hand and Official Seal

Mary E. Huston
(Notary)

SEAL

My Commission expires 12-9-12

10-1-12

AFFIDAVIT

Affidavit of: Tom D. Eilers, Director

State: Nebraska

County: Douglas

Tom D. Eilers, Affiant, of lawful age and being duly sworn upon oath states as follows:

I hereby certify that I am a member of the Board of Directors of American Republic Corp Insurance Company.

I hereby certify that I received for the State of Nebraska a copy of the American Republic Corp Insurance Company Financial Condition Report of Examination as of December 31, 2010.

Tom D Eilers

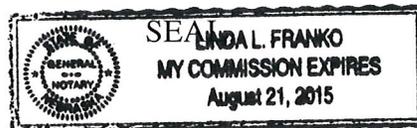
Tom D. Eilers, Director

Subscribed and sworn on this 9 day of July, 2012, and known to me to be a Director of American Republic Corp Insurance Company.

Witness My Hand and Official Seal

Linda L Franko
(Notary)

My Commission expires 8-21-2015



AFFIDAVIT

Affidavit of: Brian S. Fellner, Director

State: Iowa

County: Polk

Brian S. Fellner, Affiant, of lawful age and being duly sworn upon oath states as follows:

I hereby certify that I am a member of the Board of Directors of American Republic Corp Insurance Company.

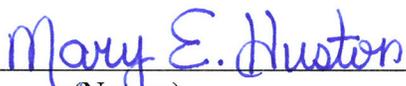
I hereby certify that I received for the State of Nebraska a copy of the American Republic Corp Insurance Company Financial Condition Report of Examination as of December 31, 2010.



Brian S. Fellner, Director

Subscribed and sworn on this 9 day of July, 2012, and known to me to be a Director of American Republic Corp Insurance Company.

Witness My Hand and Official Seal



(Notary)

216-01

SEAL

My Commission expires 12-9-12

AFFIDAVIT

Affidavit of: Timothy J. Hall, Director

State: Nebraska

County: Polk

Timothy J. Hall, Affiant, of lawful age and being duly sworn upon oath states as follows:

I hereby certify that I am a member of the Board of Directors of American Republic Corp Insurance Company.

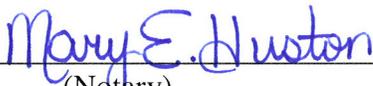
I hereby certify that I received for the State of Nebraska a copy of the American Republic Corp Insurance Company Financial Condition Report of Examination as of December 31, 2010.



Timothy J. Hall, Director

Subscribed and sworn on this 11 day of July, 2012, and known to me to be a Director of American Republic Corp Insurance Company.

Witness My Hand and Official Seal



(Notary)

SEAL

My Commission expires 12-9-12

12-9-12