

AUG 9 2013

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

IN THE MATTER OF THE MERGER)	CAUSE NO.: C-2028
OF USAA DIRECT LIFE INSURANCE)	
COMPANY, a Nebraska domestic stock insurer,)	ORDER
with and into USAA LIFE INSURANCE)	APPROVING MERGER
COMPANY, a Texas domestic stock insurer.)	

Pursuant to *Neb. Rev. Stat.* §44-224.04 (Reissue 2010), USAA Direct Life Insurance Company (“USAA Direct”), a Nebraska domiciled insurer, has filed for Approval of Merger to merge with and into USAA Life Insurance Company (“USAA Life”), a Texas domiciled insurer, with USAA Life being the surviving company.

After review of the filings, correspondence, and information provided to the Nebraska Department of Insurance (“Department”), the Director hereby approves the merger, and assigns, concludes, and orders as follows:

FINDINGS OF FACT

1. On June 20, 2013, USAA Direct applied to the Director of Insurance for approval of the merger. The Department’s review of the merger is pursuant to *Neb. Rev. Stat.* §44-224.04 (Reissue 2010).
2. USAA Direct is a Nebraska domestic life stock insurer initially licensed in the State of Nebraska on June 17, 1983. USAA Direct is a wholly owned subsidiary of USAA Life.
3. USAA Life is a Texas domestic life stock insurer initially licensed in the State of Nebraska on September 19, 1966. USAA Life is owned by United States Automobile Association, a Texas member-owned reciprocal insurance exchange and USAA Life’s sole shareholder.

4. Under the proposed merger of USAA Direct with and into USAA Life, the separate existence of USAA Direct will cease and USAA Life will be the surviving insurer possessing all of the rights, privileges, powers, franchises and interests, and being subject to all of the restrictions, disabilities, duties, debts and liabilities of USAA Direct. All policies and obligations of USAA Direct shall be assumed by USAA Life on the same terms as if the policies were still being carried by USAA Direct.

5. The parties to the transaction propose the merger is in the best interests of USAA Direct, USAA Life, and their policyholders, and is structured to qualify as a tax free liquidation under the Internal Revenue Code of 1986, as amended.

6. The Board of Directors and sole shareholder of USAA Direct approved the merger on July 15, 2013.

7. The Board of Directors and sole shareholder of USAA Life approved the merger on July 15, 2013.

8. The proposed effective date of the merger is December 31, 2013.

CONCLUSIONS OF LAW

1. The Department of Insurance has jurisdiction over the subject matter and parties to this proceeding as authorized under *Neb. Rev. Stat. §44-224.04* (Reissue 2010).

2. USAA Direct has filed the required documents with the Department including an Agreement and Plan of Merger; the merger filing fee; a resolution adopted by the Board of Directors of USAA Direct and its sole shareholder, USAA Life, approving the merger; a resolution adopted by the Board of Directors of USAA Life and its sole shareholder, United States Automobile Association, approving the merger; copies of the most recent quarterly and annual financial statements for USAA Life; and Articles of Merger.

3. On the basis of the information filed with the Department, there is sufficient reason to believe the interests of the policyholders of USAA Direct and USAA Life will be protected under the proposed merger.

ORDER

IT IS THEREFORE ORDERED, there being no evidence to indicate that the merger of USAA Direct with and into USAA Life is contrary to law or to the best interest of the policyholders of the insurers, the proposed merger is hereby approved. USAA Life shall notify the Department of the date the Articles of Merger are filed with the Nebraska Secretary of State's Office showing the effective date of the merger.

Dated this 9 day of August, 2013.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Bruce R. Ramge

BRUCE R. RAMGE
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above Order Approving Merger was served upon USAA Direct by mailing a copy of same to Kristine M. Thomas, VP, Corporate Regulatory Counsel, 9800 Fredericksburg Rd., San Antonio, TX 78288, on this 9 day of August, 2013 by U.S. Mail, postage prepaid.

Victoria A Morehead