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BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

MAY 15 2006

NEBRASKA DEPARTMENT
OF INSURANCE

IN THE MATTER OF THE MERGER OF
SECURITY FINANCIAL LIFE INSURANCE
CO., a Nebraska domestic stock life and health
insurance company, with and into ASSURITY
LIFE INSURANCE COMPANY, a Nebraska
domestic stock life and health insurance
company.

ORDER APPROVING
MERGER

CAUSE NO. C-1572

Pursuant to *Neb.Rev.Stat.* §44-224.04, Security Financial Life Insurance Co. ("SFL") and Assurity Life Insurance Company ("Assurity"), Nebraska domestic stock life and health insurers, have filed an Application for Approval of Merger to merge SFL with and into Assurity.

After a review of the filings, correspondence and information provided to the Department of Insurance ("Department"), the Director hereby approves the merger, and signs, concludes and orders as follows:

FINDINGS OF FACT

1. On May 2, 2006, SFL and Assurity jointly 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.
2. SFL is Nebraska domiciled stock life and health insurer initially licensed in the State of Nebraska on January 1, 1895. SFL is a wholly owned subsidiary of ASG INC., the Intermediate Holding Company in a mutual insurance holding company structure formed pursuant to *Neb. Rev. Stat.* §44-6122 to 44-6142.

3. Assurity is a Nebraska domiciled life and health insurer initially licensed in the State of Nebraska on October 19, 1970. Assurity is a wholly owned subsidiary of ASG INC., the Intermediate Holding Company in a mutual insurance holding company structure formed pursuant to *Neb. Rev. Stat.* §44-6122 to 44-6142.

4. Assurity Security Group, Inc., is the Mutual Insurance Holding Company in the structure with ASG INC., its subsidiary. Assurity Security Group, Inc., is the indirect parent of SFL and Assurity.

5. Under the proposed merger of SFL with and into Assurity, the separate existence of SFL will cease and Assurity will be the surviving insurer, assuming and carrying out all responsibilities of SFL with respect to the policies of insurance currently outstanding.

6. The Board of Directors of SFL approved the merger on April 26, 2006, and provided written consent on April 27, 2006. The Board of Directors of Assurity approved the merger on April 27, 2006, and provided written consent on April 27, 2006. ASG INC., as sole shareholder of both insurers, approved the merger on April 27, 2006, and provided written consent on April 27, 2006.

7. The proposed effective date of the merger is January 1, 2007.

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.

2. Assurity filed the required documents with the Department including a description of the merger, the Contract of Merger, the Board of Directors' resolutions, approval of the sole

shareholder. Department staff reviewed financial information currently on file with the Department.

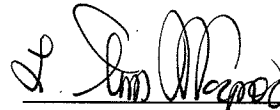
3. On the basis of the information filed with the Department, there is sufficient reason to believe the interests of the policyholders of SFL and Assurity will be protected under the proposed merger.

ORDER

IT IS THEREFORE ORDERED, there being no evidence to indicate that the merger of SFL with and into Assurity is contrary to law or to the best interest of the policyholders of the companies, the proposed merger is hereby approved. SFL shall surrender its Certificate of Authority on the effective date of the merger. Assurity shall file an amended holding company registration statement within fifteen (15) days after the effective date of merger.

Dated this 15th day of May, 2006.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



L. TIM WAGNER
Director of Insurance

CERTIFICATE OF SERVICE

This Order Approving Merger was served upon Assurity Life Insurance Company by mailing a copy of same to Carol S. Watson, Vice President, General Counsel and Corporate Secretary, P.O. Box 82533, Lincoln, NE 68501-2533 by first class U. S. Mail, postage pre-paid on this 16th day of May, 2006.

