

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

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|-------------------------------------------|---|-------------------|
| In the Matter of the Merger Agreement and |) | |
| Plan of Merger |) | |
| Filed Pursuant to K.S.A. 40-309 by |) | |
| |) | |
| DELTA LIFE AND ANNUITY COMPANY |) | |
| |) | |
| and |) | Docket No. 3113-M |
| |) | |
| AMERICAN INVESTORS LIFE INSURANCE |) | |
| COMPANY, INC. |) | |

ORDER

NOW on this 30th day of December, 2002, the above matter comes before the Commissioner of Insurance of the State of Kansas upon the filing of the Agreement of Merger ("Agreement") pursuant to K.S.A. 40-309 by Delta Life and Annuity Company, a Kansas domestic stock life company and operated pursuant to K.S.A. 40-401, *et seq.* ("Delta Life") and American Investors Life Insurance Company, Inc., a Kansas domestic stock life company and operated pursuant to K.S.A. 40-401, *et seq.* ("AmVestors").

The Agreement, which was filed by the Applicants with the Kansas Insurance Department on December 20, 2002 pursuant to K.S.A. 40-309, relates to the proposed merger of Delta Life with and into AmVestors.

Delta Life and AmVestors are represented by its attorney, M. Keith Hawkins. The Kansas Insurance Department is represented by Assistant General Counsel, Linda Sheppard, and Staff Attorney, Deletria L. Nash. Also appearing for the Kansas Insurance Department are Don Gaskill, Chief Examiner, and Patrick Mulvihill of the Financial Surveillance Division.

All parties are relying on documentary and contractual representations filed with the Kansas Insurance Department.

FINDINGS OF PUBLIC INTEREST AND POLICY

The purpose of filing the Agreement of Merger was to obtain the approval of the Kansas Insurance Department for the proposed merger of Delta Life with and into AmVestors. The terms and conditions of the proposed merger are fully set forth in the Agreement of Merger.

Significant documents have been reviewed by representatives of the Financial Surveillance and the Legal Division of the Kansas Insurance Department, and the Commissioner has had the benefit of their technical expertise and advice.

The Applicants have submitted the following documents as Exhibits to the Agreement of Merger:

- Exhibit 1 Letter from American Investors to the Kansas Insurance Department regarding the proposed merger
- Exhibit 2 Agreement of Merger
- Exhibit 3 Notice of the Special Meeting of the Stockholder of Delta Life and Annuity Company and American Investors Life Insurance Company, Inc.
- Exhibit 4 Unanimous Written Consent of the Board of Directors of American Investors Life Insurance Company, Inc. with Resolution and Unanimous Written Consent of the Board of Directors of Delta Life and Annuity Company with Resolution

- Exhibit 5 Special Meeting of Sole Shareholder of American Investors Life Insurance Company, Inc. and Delta Life and Annuity Company with Resolution
- Exhibit 6 Affidavit of Secretary and General Counsel of American Investors Life Insurance Company, Inc. and Delta Life and Annuity Company
- Exhibit 7 Certificate of Secretary – Delta Life and Annuity Company and American Investors Life Insurance Company, Inc.
- Exhibit 8 Certificate of President and Chief Executive Officer – American Investors Life Insurance Company, Inc. and Delta Life and Annuity Company
- Exhibit 9 Quarterly Financial Statement: Income Statement, balance sheet with explanation– American Investors Life Insurance Company, Inc.
- Exhibit 10 Statement of Actuarial Opinion Statutory Quarterly Statement of the American Investors Life Insurance Company, Inc. for the Period Ending September 30, 2002
- Exhibit 11 Statement of Actuarial Opinion Statutory Quarterly Statement of Delta Life and Annuity Company for the Period Ending September 30, 2002
- Exhibit 12 Certification

The staff of the Kansas Insurance Department has inspected and reviewed the contents of the Agreement and all Exhibits attached thereto and found that the filing of the Agreement and Exhibits attached thereto is in

accordance with K.S.A. 40-309 and that the Agreement and Exhibits attached thereto have provided all the information required under Kansas statutes to enable the Commissioner to render a decision on the Agreement of Merger.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Delta Life is a stock life company organized and operating pursuant to the provisions of Article 3 of the Kansas Insurance Code, with its home office located in Topeka, Kansas. Delta Life became authorized to transact business in Kansas on September 13, 1988;

2. AmVestors is a stock life company organized and operating pursuant to the provisions of Article 3 of the Kansas Insurance Code, with its home office located in Topeka, Kansas. AmVestors became authorized to transact business in Kansas on May 4, 1965;

3. According to K.S.A. 40-309, a company of this state may merge with any other company of any other state engaged in like business and having similar corporate powers. Delta Life and American Investors are engaged in like business and have similar corporate powers;

4. According to K.S.A. 40-3304, an insurance company is exempt from filing a Form A with the Kansas Insurance Department if the agreement does not have the purpose or effect of changing or influencing control of a domestic insurer. The merger of Delta Life with and into AmVestors does not effect the control of Delta Life inasmuch as the Delta Life and AmVestors are wholly owned by AmerUs Annuity Group.

5. K.S.A. 40-309 sets forth the procedure that must be followed when merging companies engaged in like business and having similar corporate powers. The first requirement is the approval at a meeting of stockholders of the domestic company prescribing the terms and conditions of the merger;

6. On December 20, 2002, the sole shareholder of Delta Life approved a resolution adopted by the Board of Directors of Delta Life on December 20, 2002. The purpose of the resolution was to effect the merger of Delta Life and AmVestors;

7. On December 20, 2002, the shareholders of AmVestors approved a resolution adopted by the Board of Directors of AmVestors on December 20, 2002. The purpose of the resolution was to effect the merger of Delta Life and AmVestors;

8. The Agreement of Merger was presented to shareholders of each of the Merging Corporations at meetings held on December 20, 2002 pursuant to notice duly provided in accordance with the Articles and By-Laws and all statutory provisions applicable to each company. The policyholders of each of the Merging Corporations unanimously approved the Agreement;

9. Shareholder of Delta Life and AmVestors each unanimously approved the merger as set forth in the Agreement of Merger of Delta Life with and into AmVestors;

10. Delta Life and AmVestors filed a certified copy of the Agreement of Merger with the Kansas Insurance Department on December 20, 2002;

11. The Agreement of Merger is in compliance with the provisions of K.S.A. 40-309;

12. Evidence has been introduced to establish that the mergers of Delta Life and AmVestors, as proposed in the Agreement of Merger, will not be hazardous or prejudicial to the insurance-buying public;

13. The evidence submitted supports approval of the proposed the Agreement of Merger of Delta Life with and into AmVestors;

14. The evidence shows that the competence, experience and integrity of those persons who would control the surviving entity, AmVestors, are such that it would be in the interest of policyholders and of the public to permit the Agreement of Merger.

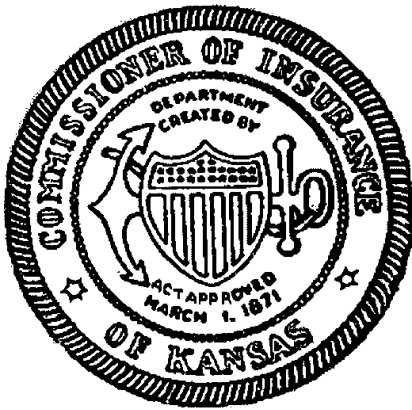
**IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE,
ORDERED THAT:**

1. The merger of Delta Life and Annuity Company and American Investors Life Insurance Company, Inc. as set forth in the Agreement of Merger and Exhibits attached thereto is hereby approved pursuant to K.S.A. 40-309, provided the merger is effected within sixty (60) days of the date of this Order.

2. The merger of Delta Life and Annuity Company with and into American Investors as set forth in the Agreement of Merger and Exhibits attached thereto is hereby approved pursuant to K.S.A. 40-309, provided all closing documents are executed and filed with the Kansas Insurance Department within sixty (60) days of the date of this Order.

3. The Commissioner of Insurance retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further Order or Orders as may be deemed proper.

**IT IS SO ORDERED THIS 30TH DAY OF DECEMBER, 2002, IN THE
CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



_____/s/ Kathleen Sebelius_____
Kathleen Sebelius
Commissioner of Insurance