

**STATE OF NORTH DAKOTA**  
**BEFORE THE INSURANCE COMMISSIONER**

In re the Matter of the Proposed Merger of	)	<b>FINDINGS OF FACT, CONCLUSIONS OF</b>
Southwest County Mutual Insurance	)	<b>LAW, AND ORDER</b>
Company with and into Family Home	)	FILE NO. CO-26-916
Mutual Insurance Company	)	

**INTRODUCTION**

A. Southwest Mutual Insurance Company (“Southwest Mutual”) and Family Home Mutual Insurance Company (“Family Home Mutual”), both domestic county mutual insurance companies organized in the State of North Dakota pursuant to Chapt. 26.1-13 of the North Dakota Century Code, filed a Petition seeking approval from the North Dakota Insurance and Securities Department (the “Department”) to merge Southwest Mutual with and into Family Home Mutual.

B. Pursuant to notice, a hearing as required by North Dakota Century Code § 26.1-07-04 was convened at 9:30 a.m. on Tuesday, February 24, 2026, in the Sakakawea Room of the North Dakota State Capitol, located at 600 East Boulevard Avenue, Bismarck, North Dakota.

C. The public hearing was held before Jon Godfread, Hearing Officer and North Dakota Insurance Commissioner. Present and appearing at the hearing were Jamie L. Struthers, legal counsel for the Department; Blaine T. Johnson, partner with the Crowley Fleck PLLP law firm in Bismarck, North Dakota on behalf of Family Home Mutual; Matt Fischer, Chief Director of Insurance Regulation for the Department; Matt Horner, Manager of Family Home Mutual; and Ronald Gunsch, president of Southwest Mutual. Southwest Mutual was represented by Janel Federicksen, who was not present at the hearing.

D. Oral testimony was presented at the hearing. Matt Horner testified on behalf of Family Home Mutual. Ronald Gunsch testified on behalf of Southwest Mutual. Matt Fischer testified on behalf of the Department. The fully executed First Amended Agreement and Plan of Merger was entered into the record.

E. The North Dakota Insurance Commissioner and Hearing Officer, after having reviewed the testimony presented at the hearing, exhibits presented at the hearing, and after having considered and reviewed all pleadings and materials on file herein, hereby makes the following Findings of Fact, Conclusions of Law and Order.

## FINDINGS OF FACT

1. Southwest Mutual and Family Home Mutual are both North Dakota county mutual insurance companies duly organized pursuant to North Dakota Century Code Chapt. 26.1-13.

2. Family Home Mutual has a Certificate of Authority in North Dakota to write property and casualty lines of insurances in the following counties: Barnes, Benson, Bottineau, Burleigh, Cass, Cavalier, Dickey, Divide, Eddy, Emmons, Foster, Grand Forks, Griggs, Kidder, LaMoure, Logan, McHenry, McIntosh, McKenzie, McLean, Mercer, Morton, Mountrail, Nelson, Pembina, Pierce, Ramsey, Ransom, Richland, Rolette, Sargent, Stark, Steele, Stutsman, Towner, Traill, Walsh, Ward, Wells, and Williams. Family Home Mutual has approximately 2300 policyholders.

3. Southwest Mutual has a Certificate of Authority in North Dakota to write property and casualty lines of insurances in the following counties: Adams, Billings, Bowman, Burleigh, Dunn, Golden Valley, Grant, Hettinger, Kidder, McKenzie, McLean, Mercer, Morton, Mountrail, Oliver, Sioux, Slope, Stark and Williams. Southwest Mutual has approximately 570 policyholders.

4. Southwest Mutual and Family Home Mutual negotiated an Agreement and Plan of Merger dated September 4, 2025, detailing the specific terms and conditions of a merger. The Agreement and Plan of Merger initially anticipated changes to the Articles and Bylaws of Family Home Mutual. Ultimately, no changes to the Articles of Incorporation or the Bylaws were adopted as part of the proposed merger, and the First Amended Agreement & Plan of Merger was executed by the companies (the "Plan of Merger").

5. On October 28, 2025, at a meeting duly called for the purpose of reviewing and adopting the Plan of Merger, the Board of Directors of Southwest Mutual voted unanimously to approve the Plan of Merger.

6. On November 24, 2025, at a meeting duly called for the purpose of reviewing and adopting the Plan of Merger, the Board of Directors of Family Home Mutual voted unanimously to approve the Plan of Merger.

7. Notice of Annual Meeting of Policyholders specifically providing notice of the request to approve the Plan of Merger and including a summary of the proposed merger was mailed to all policyholders of Southwest Mutual on October 17, 2025. On October 28, 2025, the Annual Meeting was held in New Salem, North Dakota for the purpose approving the Plan of Merger. At this meeting, the policyholders of Southwest Mutual unanimously approved the Plan of Merger.

8. Notice of Special Meeting of Policyholders specifically providing notice of the request to approve the Plan of Merger was mailed to all policyholders of Family Home Mutual on November 7, 2025. On November 24, 2025, the Special Meeting of the policyholders of Family Home Mutual was held in Bismarck, North Dakota for the purpose of approving the Plan of Merger. At this meeting, the

Plan of Merger was approved by an affirmative vote of more than two-thirds of the policyholders of Family Home Mutual.

9. The Plan of Merger provides that the merger of Southwest Mutual with and into Family Home Mutual shall be subject to the issuance of an Order by the Insurance Commissioner of the State of North Dakota, and approval by a majority of the policyholders of each merging company present and voting at a meeting of such members called to consider the adoption of the Plan of Merger. The effective date of the merger shall be the latter of January 1, 2026, or the date of filing with the North Dakota Secretary of State.

10. The Plan of Merger provides that the existing policies of Southwest Mutual will be assumed by Family Home Mutual; Family Home Mutual's agency agreement will be offered to existing Southwest Mutual agents who do not already have an agency agreement in force with Family Home Mutual; the surviving company will retain the same level of staff positions following the merger unless reduced through retirement or voluntary resignations or at a discretion of a majority of the Board of Directors; that the Board of Directors of the surviving company will be initially comprised of all current directors from both Southwest Mutual and Family Home Mutual; that the current officers of Family Home Mutual, namely David Monson as President, Francis Rubish as Vice-President, and David Weiss as Secretary/Treasurer shall continue as officers of the surviving company; and the surviving company will continue to offer the same lines of insurance following the merger as in the past. The surviving company will continue using underwriting standards and rates of Family Home Mutual. The home office of Southwest Mutual in New Salem, North Dakota will be retained following the merger.

11. The Plan of Merger also provides that as of the effective date of this merger, title or right to all property (real, personal and mixed) owned or possessed by Southwest Mutual shall accrue to Family Home Mutual without reversion or impairment.

12. A merger between Southwest Mutual and Family Home Mutual will help preserve the integrity of the county mutual system, secure financial condition of the policyholders of Southwest Mutual, spread risk of loss to a greater geographical area, and help to manage reinsurance costs.

13. Southwest Mutual provided notice of the public hearing to each of its policyholders by depositing such notice in the U.S. Mail in a sealed envelope with postage prepaid on February 20, 2026 as required by the Order dated January 29, 2026 issued by the North Dakota Insurance Department Commissioner.

14. Pursuant to and in conformance with N.D.C.C. §26.1-07-04, the Insurance Commissioner caused the Notice and Order of Hearing to be published in five newspapers including a daily newspaper published at the state capital.

15. Matt Fischer testified that the Department received all necessary documents in which to review and evaluate the merger and deemed the Petition complete. Mr. Fischer further testified that in his opinion Family Home Mutual will be able to satisfy the requirements for the issuance of a certificate of authority to write the lines of insurance for which it is presently licensed. Mr. Fischer further testified that Family Home Mutual has a strong experienced team leading it and that a merger would not be against the interest of the policyholders or the public.

16. This merger will not substantially lessen competition in insurance in North Dakota or tend to create a monopoly in this State.

17. This merger is not against the interest of the policyholders or of the public.

18. No officer of a company petitioning for the right to consolidate or to reinsure and an officer or employee of the state has received any compensation or gratuity, either directly or indirectly, for aiding, promoting, or in any manner assisting in the consolidation or reinsurance. No money was paid as consideration for the merger.

19. The territory of the surviving company will include the following counties: Adams, Barnes, Benson, Billings, Bowman, Bottineau, Burleigh, Cass, Cavalier, Dickey, Divide, Dunn, Eddy, Emmons, Foster, Golden Valley, Grand Forks, Grant, Griggs, Hettinger, Kidder, LaMoure, Logan, McIntosh, Morton, Mclean, McHenry, McKenzie, Mercer, Morton, Mountrail, Nelson, Oliver, Pembina, Pierce, Ramsey, Ransom, Richland, Rolette, Sargent, Sioux, Slope, Stark, Steele, Stutsman, Towner, Trail, Walsh, Ward, Wells, Williams.

20. Family Home Mutual will decide at an annual meeting of policy holders no later than 2028 to either reduce its territory to 40 or fewer counties or to begin conversion to an incorporated, domestic mutual insurance company pursuant to North Dakota Century Code Chapt. 26.1-12. Family Home Mutual will be in compliance with statutory territorial limitations no later than January 1, 2030.

21. Matt Fischer testified that when faced with potential loss of reinsurance by a county mutual insurance company, allowing an insurer to exceed the 40 county limitation permits for the company's orderly transition into compliance without materially impairing policyholders or substantially lessening competition among insurance providers, and provides adequate oversight of implementation and regulatory compliance by the Department.

22. No objections to the proposed Merger were offered at the hearing. No member of the public appeared at the hearing to offer support or opposition. No written comments were received by the Department.

#### **CONCLUSIONS OF LAW**

1. The North Dakota Insurance Commissioner has jurisdiction over the Petition and parties of this proceeding as authorized under North Dakota Century Code Chapt. 26.1-07.

2. The Petition setting for the terms and conditions of the merger and all necessary materials were properly filed in accordance with North Dakota Century Code § 26.1-07-02.
3. The notice requirements of North Dakota Century Code § 26.1-07-04 were met.
4. The policyholders of both companies were given the opportunity to appear before the North Dakota Insurance Commissioner to be heard as provided by North Dakota Century Code § 26.1-07-06.
5. The proposed merger is equitable to the policyholders of Southwest Mutual and Family Home Mutual as required by North Dakota Century Code § 26.1-07-05.1(1).
6. The proposed merger will not materially reduce the financial security of the policyholders of Southwest Mutual or Family Home Mutual as required by North Dakota Century Code § 26.1-07-05.1(2).
7. The merger would not have the effect of substantially lessening competition in insurance in North Dakota or tend to create a monopoly in North Dakota.
8. The merger will not jeopardize the financial stability of Family Home Mutual or prejudice the interests of Southwest Mutual's former policyholders.
9. The competence, experience and integrity of the directors and executive officers of the surviving company are such that it is in the interests of the policyholders and of the public to permit the merger to occur.
10. The merger of Southwest Mutual with and into Family Home Mutual will cause the territory of the surviving company to exceed the limitations of North Dakota Century Code § 26.1-13-02. Family Home Mutual has shown good cause to allow the territory to exceed the limitations on a temporary basis.
11. The North Dakota Insurance Commissioner has determined that no reasonable objection exists to the proposed merger and that the interests of Southwest Mutual and Family Home Mutual policyholders have been adequately protected as required by North Dakota Century Code § 26.1-07-05.1.

ORDER

IT IS THEREFORE, IT IS HEREBY ORDERED, based on the foregoing Findings of Fact and Conclusions of Law, the Petition for the merger of Southwest Mutual Insurance Company and Family Home Mutual Insurance Company be hereby **APPROVED**.

IT IS FURTHER ORDERED that Family Home Mutual Insurance Company, as surviving company, shall hold a vote of its policyholders no later than its 2028 annual meeting to determine if the surviving company will reduce its territory to 40 counties or elect to convert to a domestic, incorporated mutual insurance company under North Dakota Century Code Chapt. 26.1-12. Family Home Mutual shall report the results of the vote to the Department within 30 days of its annual meeting.

IT IS FURTHER ORDERED that Family Home Mutual Insurance Company shall become compliant with statutory territorial limitations or have fully completed its conversion to a domestic, incorporated mutual insurance company no later than January 1, 2030.

Dated this 4<sup>th</sup> day of March 2026.



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Jon Goddread  
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