

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

In the Matter of:)	FINDINGS OF FACT,
EMC Insurance Companies)	CONSLUSIONT OF LAW, AND
Form A exemption Request)	ORDER GRANTING
Dakota Fire Insurance Company)	FORM A EXEMPTION
)	
)	FILE NO. CO-23-876

INTRODUCTION

A Request for a Form A exemption in accordance with N.D.C.C. § 26.1-10-03(5)(b) was received by the North Dakota Insurance Department (“Department”). The exemption request is associated with the dissolution of EMC Insurance Group Inc. (“Group Inc.”).

FINDINGS OF FACT

1. The North Dakota Insurance Commissioner (“Commissioner”) has jurisdiction over this matter pursuant to N.D.C.C. §§ 26.1-01-03 and 26.1-10-03.
2. By letter dated August 9, 2023, to the Department, on behalf of Employers Mutual Casualty Company, an Iowa insurance company (“EMCC”), Douglas S. Van Zanten, EMC Vice President and Deputy General Counsel, requested a Form A exemption in accordance with N.D.C.C. § 26.1-10-03(5)(b).
3. EMCC's exemption request details an anticipated dissolution of EMC Insurance Group Inc. (“Group Inc.”), an intermediate holding company that owns 100%

of Dakota Fire Insurance Company (“Dakota Fire”), a North Dakota domiciled insurance company. EMC Insurance Companies would remain the ultimate parent.

4. Dakota Fire (NAIC# 10863) is a North Dakota domiciled insurance company.

5. Group Inc. was a NASDAQ listed publicly traded entity.

6. EMCC owns the majority of Group Inc. and public shareholders owned a minority percentage until EMCC purchased all publicly held shares for Group Inc. on September 19, 2019.

7. Dakota Fire is currently a subsidiary of Group Inc. with EMCC being the ultimate parent.

8. Under the anticipated dissolution of Group Inc. EMCC would remain the ultimate parent of Dakota Fire.

9. Group Inc.’s anticipated dissolution and restructuring under EMCC will not result in a change of control of a North Dakota domestic insurer.

CONCLUSIONS OF LAW

10. N.D.C.C. § 26.1-10-03(1)(a) states:

1. a. A person other than the issuer may not make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after consummation, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer, and a person may not enter an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time the offer, request,

or invitation is made or the agreement is entered into, or prior to the acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this chapter.

11. N.D.C.C. § 26.1-10-03(5)(b) states:

5. This section does not apply to:

b. Any offer, request, invitation, agreement, or acquisition which the commissioner by order exempts as not having been made or entered for the purpose and not having the effect of changing or influencing the control of a domestic insurer or as otherwise not comprehended within the purposes of this section.

12. Because the dissolution of Group Inc. does not have the effect of changing the control of a North Dakota domestic insurer, EMC is eligible for a Form A exemption pursuant to N.D.C.C. § 26.1-10-03(5)(b).

ORDER

NOW, THEREFORE, based upon the representations of EMCC and the above Findings of Fact and Conclusions of Law, the Commissioner enters an Order as follows:

1. The proposed Form A exemption request filed with the Department is hereby **GRANTED**.
2. EMCC shall immediately notify the Department of any deviation from the merger or restructuring plan detailed in the August 9, 2023, letter, that may impact control of Dakota Fire.
3. EMCC shall immediately notify the Department at any time in the future in the event that control of Dakota Fire is changed.

4. The Commissioner 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.

DATED this 30th day of August, 2023.



Jon Godfread
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