

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of the Acquisition of Control of)
) Docket No. 21A-100-INS
 Rx Life Insurance Company)
 (NAIC No. 90247))
) **ORDER APPROVING**
) **ACQUISITION**
 Insurer,)
 By)
)
 Fortitude Group Holdings, LLC, FGH Parent, L.P.,)
 Carlyle Group Management L.L.C., William E.)
 Conway, Daniel D’Aniello, David Rubenstein,)
 The Carlyle Group Inc., Carlyle Holdings II GP)
 L.L.C., Carlyle Holdings II L.L.C., CG Subsidiary)
 Holdings L.L.C., TC Group Cayman Investment)
 Holdings, L.P., TC Group Cayman Investment)
 Holdings Sub, L.P., Carlyle FRL GP, L.L.C., Carlyle)
 FRL, L.P., T&D Holdings, Inc. and T&D United)
 Capital Co., Ltd.,)
)
 Petitioner.)

On August 31, 2021, Fortitude Group Holdings, LLC, FGH Parent, L.P., Carlyle Group Management L.L.C., William E. Conway, Daniel D’Aniello, David Rubenstein, The Carlyle Group Inc., Carlyle Holdings II GP L.L.C., Carlyle Holdings II L.L.C., CG Subsidiary Holdings L.L.C., TC Group Cayman Investment Holdings, L.P., TC Group Cayman Investment Holdings Sub, L.P., Carlyle FRL GP, L.L.C., Carlyle FRL, L.P., T&D Holdings, Inc. and T&D United Capital Co., Ltd. (“Petitioner”) submitted an application for the acquisition of control of Rx Life Insurance Company (“Insurer”) to the Arizona Department of Insurance and Financial Institutions (the “Department”) for approval of Petitioner as the controlling person of the Insurer pursuant to the provisions of Arizona Revised Statutes (A.R.S.) §§20-481 through 20-481.32 and Arizona Administrative Code (A.A.C.) R20-6-1402.

1 Based upon reliable evidence provided to the Director of Insurance and Financial
2 Institutions ("Director") by the Assistant Director of the Financial Affairs Division of the
3 Department, the Director finds as follows:

4 **FINDINGS OF FACT**

5 1. The Insurer is a domestic insurer as referred to in A.R.S. §20-481.

6 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-
7 481.03, in the form required by A.A.C. R20-6-1402.

8 3. The Insurer and its security holders waived the ten (10) day advance filing notice
9 to be given as required by A.R.S. §20-481.07(D).

10 4. No evidence has been produced that would indicate or form the basis for a
11 finding that the Petitioner's acquisition of control of the Insurer:

12 a. Is contrary to law;

13 b. Is inequitable to the shareholders of any domestic insurer involved;

14 c. Would substantially reduce the security of and service to be rendered to the
15 policyholders of the domestic insurer in this State or elsewhere;

16 d. After the change of control, the domestic insurer would not be able to satisfy the
17 requirements for the reissuance of a Certificate of Authority to write the line or lines of
18 insurance for which it is presently licensed;

19 e. Would have the effect of substantially lessening competition in insurance in this
20 state, or tend to create a monopoly;

21 f. Might jeopardize the financial stability of the Insurer or prejudice the interest of its
22 policyholders, based upon the financial condition of any acquiring party;

1 g. Is unfair and unreasonable to policyholders of the Insurer and is not in the public
2 interest, based upon the plans or proposals that the acquiring party has to liquidate the insurer,
3 sell its assets or consolidate or merge it with any person, or to make any other material change
4 in its business or corporate structure or management;

5 h. Would not be in the public interest of policyholders of the Insurer and of the
6 public to permit the merger or other acquisition of control based upon the competence,
7 experience and integrity of those persons who would control the operation of the Insurer; or

8 i. Would likely be hazardous or prejudicial to the insurance-buying public.

9 5. The Petitioner's officers and directors made representations material to the
10 issuance of the Order in this matter that none of its officers or directors have been charged
11 with or convicted of a felony or misdemeanor other than minor traffic violations.

12 6. The Petitioner filed the following to comply with A.R.S. §§20-481.03(A)(14) and
13 20-481.03(A)(15):

14 a. An agreement that the Petitioner will file with the Director the annual enterprise
15 risk report pursuant to A.R.S. §20-481.10(D) while in control of the insurer; and

16 b. An acknowledgement that the Petitioner and all subsidiaries in its control in the
17 insurance holding company system will provide all information requested by the Director for the
18 Director to evaluate enterprise risk to the insurer.

19 **CONCLUSIONS OF LAW**

20 1. The application established that none of the enumerated grounds set forth in
21 A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of Petitioner's
22 acquisition of control of the Insurer.

