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CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

**STATE OF ALASKA  
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
P. O. BOX 110805  
JUNEAU, ALASKA 99811-0805**

Order #R99-02 ) ORDER GRANTING MERGER UNDER  
) AS 21.69.590 AND EXEMPTION FROM  
In the Matter of the Merger of ) FORM A STATEMENT FILING UNDER  
Industrial Indemnity Company ) AS 21.22.010(g)(2)  
)  
of Alaska Into Industrial )  
Indemnity Company and )  
Request for Exemption from )  
Filing a Form A Registration )  
Statement )  
)  
**INDUSTRIAL INDEMNITY )**  
**COMPANY OF ALASKA )**  
**NAIC #21156 )**  
\_\_\_\_\_ )

FINDINGS OF FACT  
CONCLUSION OF LAW AND ORDER

**WHEREAS**, a Certificate of Authority #D-0989 was issued on August 1, 1972, to **INDUSTRIAL INDEMNITY COMPANY OF ALASKA**, an Alaska domiciled property and casualty insurer.

**WHEREAS, INDUSTRIAL INDEMNITY COMPANY OF ALASKA** is a wholly-owned subsidiary of Fremont Indemnity Company, a California corporation (“FIC”), with the ultimate parent company and controlling person being Fremont General corporation, a Nevada corporation.

**WHEREAS**, the Alaska Division of Insurance has received a request for approval pursuant to AS 21.69.590 to effect a transaction, pursuant to the terms of which **INDUSTRIAL INDEMNITY COMPANY OF ALASKA** will be merged with and into Industrial Indemnity Company, a California corporation (“IIC”), with IIC being the surviving entity of that merger.

STATE OF ALASKA  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
3601 C STREET, SUITE 1324  
ANCHORAGE, ALASKA 99503-5948  
PHONE (907) 269-7900  
FAX (907) 269-7910  
TDD (907) 465-5437



CONCLUSIONS OF LAW

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3 1. Under AS 21.69.590(a), a domestic stock insurer may merge with another  
4 domestic or foreign insurer by complying with the applicable provisions of Alaska  
5 statute governing mergers. A person planning to merge with a domestic insurer must  
6 meet the filing and approval requirements of AS 21.22.010, 21.22.020, and  
7 21.22.030, unless an exemption to filing requirements of AS 21.22.010 applies. AS  
8 21.22.010(g)(2) provides the following exemption from the filing and approval  
9 requirements of AS 21.22.010(a): “The provisions of [AS21.22.010] **do not apply**  
10 **to...** an offer, request, invitation, agreement, or acquisition that the director by order  
11 may exempt as not having been made or entered into for the purpose **and not having**  
12 **the effect of changing** or influencing **the control of the domestic insurer.**”  
13 (Emphasis added).

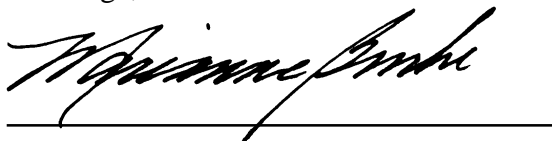
14  
15 2. The Division concludes that an exemption exists to the filing and approval  
16 requirements of AS 21.22.010, 21.22.020, and 21.22.030 based on AS  
17 21.22.010(g)(2), because the merger of **INDUSTRIAL INDEMNITY COMPANY**  
18 **OF ALASKA** will not have the effect of “changing or influencing the control’ of  
19 such domestic insurer as contemplated under AS 21.22.010. **INDUSTRIAL**  
20 **INDEMNITY COMPANY OF ALASKA**’s ultimate parent company and  
21 controlling person, Fremont General Corporation, will remain the same prior and  
22 subsequent to the merger.

23  
24 3. The division also concludes that the plan and agreement for merger of  
25 **INDUSTRIAL INDEMNITY COMPANY OF ALASKA** into IIC meets the  
requirements of AS 21.69.590(b), because it is not contrary to law, is not inequitable  
to the stockholders of **INDUSTRIAL INDEMNITY COMPANY OF ALASKA**,  
and would not substantially reduce the security of and service to be rendered to  
policyholders of **INDUSTRIAL INDEMNITY COMPANY OF ALASKA** in this  
state or elsewhere.

**IT IS HEREBY ORDERED**, that the merger of **INDUSTRIAL INDEMNITY**  
**COMPANY OF ALASKA** with and into IIC, is exempt under AS 21.22.010(g)  
from the filing and approval requirements of AS 21.22.010(b), 21.22.020, and  
21.22.030 and that the merger is approved under AS 21.69.590.

This order is effective December 31, 1998.

Dated this 12th day of January, 1999 at Anchorage, Alaska.



MARIANNE K. BURKE, DIRECTOR  
DIVISION OF INSURANCE