

(A) After the acquisition of AFSLIC by AFSH, AFSLIC will not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed;

(B) The effect of the acquisition of AFSLIC by AFSH will be to substantially lessen competition in insurance or tend to create a monopoly in this state;

(C) The financial condition of AFSH is such as might jeopardize the financial stability of AFSLIC or prejudice the interests of its policyholders;

(D) AFSH's plans, if any, to liquidate or sell AFSLIC or to consolidate or merge it with other companies or to make any other material change in AFSLIC's business, corporate structure, or management, would be unfair or unreasonable to policyholders of AFSLIC or contrary to the public interest;

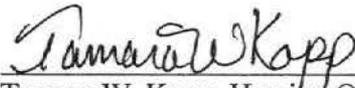
(E) The competence, experience, and integrity of AFSH's management are such that it would be contrary to the interest of policyholders of AFSLIC and to the public to permit the acquisition of AFSLIC by AFSH;

(F) The proposed acquisition of AFSLIC by AFSH is likely to be hazardous or prejudicial to the insurance buying public, provided that AFSH and AFSLIC comply with the conditions set forth below in the Order.

ORDER

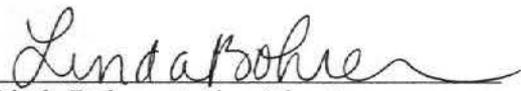
Based on the foregoing Findings and Conclusions, the proposed acquisition of control of American Financial Security Life Insurance Company (AFSLIC) by American Financial Security Holdings, Inc. (AFSH) is **APPROVED WITH CONDITION**, as follows: As a condition of establishing and maintaining control of AFLIC, AFSH and any persons controlling or affiliated with AFSLIC shall cause AFSLIC to maintain the ratio of its annual gross written premium to policyholders' surplus at no more than five to one (5:1) for each of the years ending December 31, 2008, 2009, 2010, 2011, and 2012, unless the DIFP approves otherwise.

Recommended by the undersigned hearing officer this 21st day of July, 2008.



Tamara W. Kopp, Hearing Officer
Senior Enforcement Counsel

So ordered, signed and official seal affixed this 21st day of July, 2008.



Linda Bohrer, Acting Director

