

FILED

DEC 30 2020

INSURANCE REGULATION
Docketed by:



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 274419-20-CO

**Application for the Indirect Acquisition of
FLORISTS' INSURANCE COMPANY
by SENTRY MUTUAL HOLDING COMPANY**

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing of an application with the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") for the proposed indirect acquisition of 100% of the issued and outstanding voting securities of FLORISTS' INSURANCE COMPANY ("FLORISTS' INSURANCE") by SENTRY MUTUAL HOLDING COMPANY ("APPLICANT"), pursuant to Section 628.461, Florida Statutes ("Application"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all conditions precedent to the granting of approval by the OFFICE of the proposed indirect acquisition of 100% of the issued and outstanding voting securities of FLORISTS' INSURANCE by APPLICANT, pursuant to the Florida Insurance Code.
3. FLORISTS' INSURANCE is a licensed property and casualty insurer domiciled in the state of Illinois, commercially domiciled in the state of Florida, and is authorized to transact

property and casualty insurance in Florida through a subsisting Certificate of Authority issued by the OFFICE, and, as such, is subject to filings required by Section 628.461, Florida Statutes.

4. FLORISTS' INSURANCE is owned 100% by FLORISTS' MUTUAL INSURANCE COMPANY ("FLORISTS' MUTUAL"), an Illinois-domiciled mutual property and casualty insurer that is owned 100% by its policyholders. FLORISTS' MUTUAL is controlled by SENTRY INSURANCE A MUTUAL COMPANY ("SENTRY INSURANCE MUTUAL") by virtue of its Board of Directors. SENTRY INSURANCE MUTUAL is a Wisconsin-domiciled mutual property and casualty insurer that is owned 100% by its policyholders.

5. On or about September 23, 2020, SENTRY INSURANCE MUTUAL submitted a Mutual Holding Company Plan ("MHC Plan") to the Wisconsin Office of the Commissioner of Insurance for the purpose of de-mutualizing and reorganizing the Sentry Insurance Group holding company system. Pursuant to the terms of the MHC Plan, SENTRY INSURANCE MUTUAL will simultaneously form both APPLICANT, as a Wisconsin-domiciled mutual insurance holding company that will be owned 100% by SENTRY INSURANCE MUTUAL's policyholders, and SENTRY HOLDINGS, INC. ("SENTRY HOLDINGS"), as a new Wisconsin-domiciled stock intermediate holding company that will be owned 100% by APPLICANT. Immediately following the formation of APPLICANT and SENTRY HOLDINGS, SENTRY INSURANCE MUTUAL will convert to a Wisconsin-domiciled stock property and casualty insurer and continue its corporate existence as Sentry Insurance Company. Sentry Insurance Company will be considered to have been organized at the time that SENTRY INSURANCE MUTUAL was organized ("MHC Conversion"). As part of the MHC Conversion, the members' rights to SENTRY INSURANCE MUTUAL will be extinguished and they will be given Membership Interests and Rights in Surplus in APPLICANT. Additionally, upon completion of the MHC Conversion, SENTRY

INSURANCE MUTUAL's stock will be owned 100% by SENTRY HOLDINGS. No cash or other consideration will be exchanged as a result of the proposed MHC Conversion. Upon completion of the proposed MHC Plan, which is expected to close on or about January 1, 2021, FLORISTS' INSURANCE will still be owned 100% by FLORISTS' MUTUAL, which will still be controlled by SENTRY INSURANCE MUTUAL through a majority of its Board of Directors. SENTRY INSURANCE MUTUAL will be owned 100% by SENTRY HOLDINGS, which will be owned 100% by APPLICANT, which will be owned 100% by the former policyholders of SENTRY INSURANCE MUTUAL. ("Transaction")

6. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, and SENTRY INSURANCE MUTUAL represent that, except as disclosed in the Application, none of the individuals who will exercise control subsequent to this acquisition, directly or indirectly, over FLORISTS' INSURANCE have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or a misdemeanor, other than a civil traffic offense.

7. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, and SENTRY INSURANCE MUTUAL shall submit, or cause to be submitted, to the OFFICE complete background information for Timothy P. Noble, John A. Baisch, James R. Phillip, Jr., and Ann E. Tosovsky, including Biographical Affidavits, supplemental information, third-party verification report produced by an approved vendor, and fingerprint cards within 90 days of execution of this Consent Order.

8. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS shall remove said person within 30 days of

notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of FLORISTS' INSURANCE without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

9. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, and SENTRY INSURANCE MUTUAL represent that, except as disclosed in the Application, there are no present plans or proposals to make any substantive changes to the Plan of Operation of FLORISTS' INSURANCE, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations.

10. APPLICANT and FLORISTS' INSURANCE acknowledge that any dividends to stockholders shall continue to comply with Section 628.371, Florida Statutes, until such time as FLORISTS' INSURANCE is no longer commercially domiciled in Florida.

11. APPLICANT or FLORISTS' INSURANCE shall submit or cause to be submitted to the OFFICE written notice of any breach, non-performance or, or default under any servicing agreement with affiliates or third-party vendors providing services, directly or indirectly, to FLORISTS' INSURANCE that could result in or cause a material adverse change in the financial condition, business, performance, operations, or property of FLORISTS' INSURANCE.

12. All parties to this Consent Order agree that this Consent Order shall be deemed null and void if the Transaction is not completed, or required regulatory approvals are not obtained, within 60 days of the execution of this Consent Order.

13. Within 10 business days after the Transaction is completed, APPLICANT or FLORISTS' INSURANCE shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of said transactions, including but not limited to the documentation from the domiciliary regulator of FLORISTS' INSURANCE approving the Transaction, certified organizational documents for APPLICANT, SENTRY HOLDINGS, and SENTRY INSURANCE, as well as Board resolutions approving the MHC Plan, Board resolutions from APPLICANT and SENTRY HOLDINGS ratifying the terms and conditions of this Consent Order, and any other pertinent documentation not already provided to the OFFICE. Further, APPLICANT or FLORISTS' INSURANCE shall notify the OFFICE within 3 business days of a final determination that the transactions contemplated in the Application will not occur.

14. All parties to this Consent Order acknowledge that the consummation of the Transaction is subject to obtaining all appropriate regulatory approvals, including from various state agencies, in addition to satisfying other terms and conditions of the MHC Plan. Accordingly, should such required approvals not be received, the provisions of this Consent Order shall terminate automatically and have no effect.

15. APPLICANT or FLORISTS' INSURANCE shall file or cause to be filed with the OFFICE the Enterprise Risk Report required by Section 628.801(2), Florida Statutes, and any and all information necessary to evaluate the enterprise risk of FLORISTS' MUTUAL and its affiliates, pursuant to Sections 628.461(3)(f)-(g), Florida Statutes.

16. Within 10 days of assignment, APPLICANT or FLORISTS' INSURANCE shall submit to the OFFICE FLORISTS' INSURANCE revised Group Code, as issued by the National Association of Insurance Commissioners, if applicable.

17. FLORISTS' INSURANCE shall, no later than 15 days after the month in which the Transaction is completed, file an update to its Holding Company Registration Statement, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

18. Any prior orders, consent orders, or corrective action plans that FLORISTS' INSURANCE has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for FLORISTS' INSURANCE, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

19. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, and SENTRY INSURANCE MUTUAL affirm and represent that all information, explanations, representations, statements, and documentation provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of FLORISTS' INSURANCE. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, and SENTRY INSURANCE MUTUAL further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

20. APPLICANT or FLORISTS' INSURANCE shall report to the OFFICE, Property & Casualty Financial Oversight, any time FLORISTS' INSURANCE is named as a party defendant in a class action lawsuit within 15 days after the class is certified. APPLICANT or

FLORISTS' INSURANCE shall include a copy of the complaint at the time it reports the class action lawsuit to the OFFICE.

21. FLORISTS' INSURANCE shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. FLORISTS' INSURANCE agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. FLORISTS' INSURANCE further agrees that it shall notify the OFFICE within 5 business days of identifying a data breach.

22. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. APPLICANT and FLORISTS' INSURANCE shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with those individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>.

23. Within 60 days from the date of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

24. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

25. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

26. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS affirm that all requirements set forth herein are material to the issuance of this Consent Order.

27. APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the Certificate of Authority of FLORISTS' INSURANCE in this state, in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

28. Each party to this action shall bear its own costs and fees.

29. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signatures of the authorized representatives of APPLICANT, FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT,

FLORISTS' INSURANCE, FLORISTS' MUTUAL, SENTRY INSURANCE MUTUAL, and SENTRY HOLDINGS agree that the signatures of their authorized representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, the agreement between FLORISTS' INSURANCE COMPANY, FLORISTS' MUTUAL INSURANCE COMPANY, SENTRY MUTUAL HOLDING COMPANY, SENTRY INSURANCE A MUTUAL COMPANY, SENTRY HOLDINGS, INC., and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the Application for the indirect acquisition of 100% of the issued and outstanding voting securities of FLORISTS' INSURANCE COMPANY by SENTRY MUTUAL HOLDING COMPANY, pursuant to Section 628.461, Florida Statutes, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 30 day of December, 2020.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, SENTRY MUTUAL HOLDING COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SENTRY MUTUAL HOLDING COMPANY to the terms and conditions of this Consent Order.

SENTRY MUTUAL HOLDING COMPANY

By: DocuSigned by: Kip J. Kobussen
AAEC351B1390478...

[Corporate Seal]

Print Name: Kip J. Kobussen

Title: Sole Incorporator

Date: December 28, 2020

STATE OF Wisconsin

COUNTY OF Portage

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Kip J. Kobussen
(name of person)

as sole incorporator for Sentry Mutual Holding Company.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

LEIGH BAKER
NOTARY PUBLIC
STATE OF WISCONSIN

DocuSigned by: Leigh Baker
DF67FB0EC2C4412... (Signature of the Notary)

Leigh Baker
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/10/2022

By execution hereof, SENTRY INSURANCE A MUTUAL COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SENTRY INSURANCE A MUTUAL COMPANY to the terms and conditions of this Consent Order.



SENTRY INSURANCE A MUTUAL COMPANY

DocuSigned by:
By: Kip J. Kobussen
AAEC351B1390478...

Print Name: Kip J. Kobussen

Title: Vice President, General Counsel & Corporate Secretary

Date: December 28, 2020

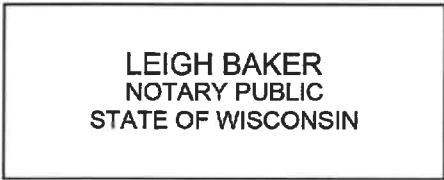
STATE OF Wisconsin

COUNTY OF Portage

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Kip J. Kobussen
(name of person)

as VP, General Counsel & Corporate Secretary for Sentry Insurance a Mutual Company.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



DocuSigned by:
Leigh Baker
DF67FB0EC2C4412... (Signature of the Notary)

Leigh Baker
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/10/2022

By execution hereof, SENTRY HOLDINGS, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SENTRY HOLDINGS, INC., to the terms and conditions of this Consent Order.

SENTRY HOLDINGS, INC.

By: 
DocuSigned by:
AAEC351B1390478...

[Corporate Seal]

Print Name: Kip J. Kobussen

Title: Sole Incorporator

Date: December 28, 2020

STATE OF Wisconsin


COUNTY OF Portage

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Kip J. Kobussen
(name of person)

as sole incorporator for Sentry Holdings, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

**LEIGH BAKER
NOTARY PUBLIC
STATE OF WISCONSIN**


DocuSigned by:
DF67FB0EC2C4412... (Signature of the Notary)

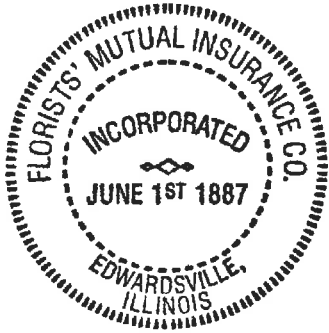
Leigh Baker
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/10/2022

By execution hereof, FLORISTS' MUTUAL INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FLORISTS' MUTUAL INSURANCE COMPANY to the terms and conditions of this Consent Order.



FLORISTS' MUTUAL INSURANCE COMPANY

DocuSigned by:
By: Kip J. Kobussen
AAEC351B1390478...

Print Name: Kip J. Kobussen

Title: Secretary

Date: December 28, 2020

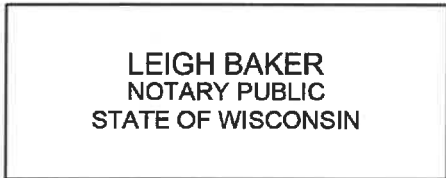
STATE OF Wisconsin

COUNTY OF Portage

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Kip J. Kobussen
(name of person)

as Secretary for Florists' Mutual Insurance Company.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



DocuSigned by:
Leigh Baker
DF67FB0EC2C4412... (Signature of the Notary)

Leigh Baker
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/10/2022

By execution hereof, FLORISTS' INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FLORISTS' INSURANCE COMPANY to the terms and conditions of this Consent Order.



FLORISTS' INSURANCE COMPANY

DocuSigned by:
By: Kip J. Kobussen
AAEC351B1390476...

Print Name: Kip J. Kobussen

Title: Secretary

Date: December 28, 2020

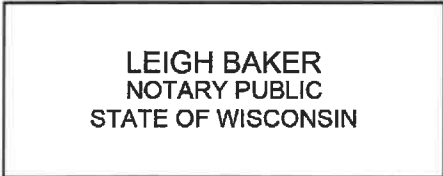
STATE OF Wisconsin

COUNTY OF Portage

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Kip J. Kobussen
(name of person)

as Secretary for Florists' Insurance Company
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



DocuSigned by:
Leigh Baker
DF67FB0EC2C4412... (Signature of the Notary)

Leigh Baker
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/10/2022

COPIES FURNISHED TO:

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