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**FILED**

**OCT 29 2007**

**Department of Insurance  
State of Idaho**

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:	)	
	)	ORDER GRANTING
FARMERS INSURANCE	)	EXEMPTION PURSUANT
COMPANY OF IDAHO	)	TO IDAHO CODE
	)	§ 41-3805(5)
Certificate of Authority No. 901;	)	
NAIC Co. Code 21601	)	
_____	)	Docket No. 18-2401-07

**ORDER**

WHEREAS, FARMERS INSURANCE COMPANY OF IDAHO, an Idaho domiciled property and casualty insurer, is owned by three California reciprocal insurance exchanges (Farmers Insurance Exchange, Truck Insurance Exchange, Fire Insurance Exchange – collectively the Farmers Exchanges) which are managed by their attorneys-in-fact, which for one of the exchanges is, and the other two are wholly owned by, Farmers Group, Inc. a Nevada domiciled company; Farmers Group, Inc. is currently owned both directly and indirectly (i.e. through another intermediate wholly owned subsidiary) by Zurich Group Holding of Switzerland, with the ultimate controlling person being Zurich Financial Services of Switzerland; and

WHEREAS, by letter dated August 31, 2007, FARMERS INSURANCE COMPANY OF IDAHO, and effectively the parent companies within the Zurich Financial Services holding company system, notified the Idaho Department of Insurance of a planned change within the holding company system where Zurich Insurance Company of Switzerland will be inserted within the organizational structure holding the direct ownership and control over Farmers Group, Inc. previously held by Zurich Group Holding, but Zurich Insurance Company will in turn be wholly owned by Zurich Group Holding; and they have requested an exemption from the Form A filing requirements provided in Idaho Code § 41-3802 and IDAPA 18.01.23 pursuant to Idaho Code § 41-3805(5); and

WHEREAS, it appears that the proposed transaction has not been made or entered into for the purpose of and will not have the effect of changing or influencing the control of a domestic insurer, inasmuch as FARMERS INSURANCE COMPANY OF IDAHO will remain owned by the Farmers Exchanges who will remain managed and controlled by their attorneys-in-fact, and through them by Farmers Group, Inc. who will remain owned and controlled by Zurich Group Holding, notwithstanding the intermediate ownership by Zurich Insurance Company, and Zurich Group Holding will remain ultimately owned and controlled by Zurich Financial Services; and

WHEREAS, the Director, having reviewed the file in this matter and finding good cause therefor:

IT IS HEREBY ORDERED, pursuant to Idaho Code § 41-3805(5), that the proposed transaction by which Zurich Insurance Company will take a new direct

ownership and control over Farmers Group, Inc. is exempt from the filing, review and approval requirements of §§ 41-3802 and 41-3805, Idaho Code.

**NOTIFICATION OF RIGHTS**

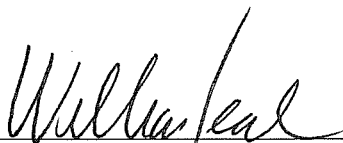
This constitutes a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates their principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located.

An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order, or (b) an order denying a petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273.

The filing of a petition for judicial review to the district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED and EFFECTIVE this 29<sup>th</sup> day of October 2007.

  
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WILLIAM W. DEAL, Director  
Idaho Department of Insurance

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have on this 24<sup>th</sup> day of October 2007, caused a true and correct copy of the foregoing ORDER GRANTING EXEMPTION PURSUANT TO IDAHO CODE § 41-3805(5) to be served upon the following by the designated means:

John S. Pruitt  
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- first class mail
- certified mail
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- first class mail
- certified mail
- hand delivery
- via facsimile

  
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Teresa Jones  
Assistant to the Director