

BEFORE THE INSURANCE COMMISSIONER AND THE ATTORNEY GENERAL OF
THE STATE OF IOWA

In re the application of AVIVA LIFE AND)	FINDING OF FACT, CONCLUSIONS OF LAW AND ORDER (Iowa Code section 521.8)
ANNUITY COMPANY for)	
Approval of a Coinsurance and Assumption)	
Agreement with PRESIDENTIAL LIFE)	
INSURANCE COMPANY-USA)	

I. INTRODUCTION

Pursuant to Iowa Code sections 521.5 and 521.8 (2013), on September 30, 2013, the undersigned Commission heard an application for approval of a Coinsurance and Assumption Agreement (“Assumption Agreement”) between AVIVA LIFE AND ANNUITY COMPANY (“ALAC”), an Iowa domiciled insurance company and PRESIDENTIAL LIFE INSURANCE COMPANY-USA (“PLIC-USA”), an Iowa domiciled insurance company. The Commission reviewed the Assumption Agreement and all other relevant filings. The Commission also took notice of the fact that ALAC and PLIC-USA are licensed and in good standing with the Iowa Insurance Division (“Division”) and both companies have current financial statements on file with the Division.

II. JURISDICTION

The Commission has jurisdiction over this proceeding under Iowa Code sections 521.2, 521.3, 521.4, 521.5, and 521.8 (2013).

III. FINDINGS OF FACT

The Assumption Agreement provides that ALAC will cede or retrocede to PLIC-USA all of its liabilities under certain life insurance policies (“Policies”) issued and reinsured by it on a 100 percent coinsurance basis¹. The Assumption Agreement effectively moves responsibility for these Policies from ALAC to PLIC-USA without diminishing policyholder contract rights.

¹ All policies are being assumed with the exception of the AmerUs and Indy Closed Block Policies.

Also, because PLIC-USA is a licensee in good standing with the Division and possesses adequate reserves, its assumption of these contract responsibilities should not adversely impact the existing policyholders of ALAC or PLIC-USA.

Under this record, the Commission finds that the interests of ALAC's and PLIC-USA's policyholders are properly protected under the Assumption Agreement. The Commission further finds that no reasonable objection for approval of the Assumption Agreement exists.

IV. CONCLUSIONS OF LAW

The legislature has vested discretion in the Commission not only to make factual findings, but also to interpret and apply the law. Iowa Code Sections 521.3 and 521.8 (2013) permit the Commission to approve a coinsurance and assumption agreement if it determines that the applicant demonstrates the two criteria listed within section 521.8 (2013) to the satisfaction of the Commission.

The Commission concludes, upon substantial evidence, that the Coinsurance and Assumption Agreement between ALAC and PLIC-USA meets the two requirements of Iowa Code section 521.8 (2013), and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

Aviva Life and Annuity Company's application for approval of its coinsurance and assumption agreement with Presidential Life Insurance Company-USA is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2013). Any action challenging this Order shall comply with the requirements of Iowa Code chapter 17A (2013).

Dated this 30th day of September, 2013.

NICK GERHART
Iowa Insurance Commissioner

THOMAS J. MILLER
Iowa Attorney General

_____/s/_____
By: JAMES N. ARMSTRONG
Deputy Commissioner of Insurance

_____/s/_____
By: CHANTELLE SMITH
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