

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

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In re the application of CMFG LIFE INSURANCE	)	FINDINGS OF FACT,
COMPANY for approval of the scheme of transfer	)	CONCLUSIONS OF LAW,
of insurance business to CUNA CARIBBEAN	)	AND ORDER
INSURANCE JAMAICA LIMITED	)	
	)	(Iowa Code chapter 521)

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Now therefore, the Commissioner of Insurance and the Iowa Attorney General (collectively the “Commission”), being fully advised in the premises, issue the following findings of fact, conclusions of law and order:

**I. INTRODUCTION**

Pursuant to Iowa Code sections 521.5 and 521.8 (2015), on June 24, 2015, the undersigned Commission heard an “Application for Approval of the Scheme of Transfer of Insurance Business” (the “Application”) between CMFG LIFE INSURANCE COMPANY (“Applicant”) and CUNA CARRIBBEAN INSURANCE JAMAICA LIMITED (“CUNA Caribbean”). Jamaican schemes of transfer of insurance business are analogous to assumption and reinsurance agreements in the United States. The Commission notes that Applicant is a licensee with the Iowa Insurance Division (“Division”) and has current financial statements on file with the Division.

The Commission reviewed the Application along with (1) the Scheme of Transfer of Insurance Business (Exhibit A); (2) the Agreement for Sale and Purchase of Insurance Business (Exhibit B) and (3) the Pro-Forma Financial Statements (Exhibit C). Applicant is an Iowa domiciled life insurance company and CUNA Caribbean is a Jamaica domiciled insurance company.

## **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**

Iowa Code section 521.8 permits the Commission to approve the proposed Application if it is satisfied that the interests of the affected policyholders are properly protected and no reasonable objection to the Application exists.

The Application provides that CUNA Caribbean will reinsure and assume all liabilities arising from insurance policies written by Applicant, while receiving in exchange all of Applicant's rights under said policies. This contractual language effectively moves responsibility for the policies from Applicant to CUNA Caribbean without diminishing or adversely impacting Applicant's policyholders' contract rights. The Commission notes that Applicant policyholders have voluntarily consented in writing to the issuance of new policies by CUNA Caribbean.

Applicant is a licensee in good standing with the Division, with adequate reserves. CUNA Caribbean's assumption of these contract responsibilities should not adversely impact Applicant's existing policyholders. Under this record, the commission finds that the interests of CUNA Caribbean and Applicant's policyholders are properly protected under the Application. The Commission further finds that no reasonable objection to Applicant's application for approval of the Application 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 permit the Commission to approve an assumption and reinsurance agreement if it determines that the applicant demonstrates the two criteria listed within section 521.8 to the satisfaction of the Commission.

The Commission concludes, upon substantial evidence, that the Application between Applicant and CUNA Caribbean meets the two requirements of Iowa Code section 521.8, and should be approved.

### **ORDER**

**IT IS THEREFORE ORDERED** that:

Applicant's Application for Approval of the Scheme of Transfer of Insurance Business between Applicant and CUNA Caribbean Insurance Jamaica Limited 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. Any application for rehearing shall comply with the requirements of Iowa Code chapter 17A.

Dated this 6th day of July, 2015.

NICK GERHART  
Iowa Insurance Commissioner

THOMAS J. MILLER  
Iowa Attorney General

/s/

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By: JAMES N. ARMSTRONG  
Deputy Commissioner of Insurance

/s/

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By: JORDAN ESBROOK  
Assistant Attorney General

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