

BEFORE THE IOWA INSURANCE COMMISSIONER

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IN THE MATTER OF	)	
	)	ORDER AND CONSENT TO ORDER
CENTURY INDEMNITY COMPANY	)	
NAIC # 20710	)	

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Now comes the Iowa Insurance Division ("Division"), pursuant to the provisions of the Iowa Insurance Other Than Life Act – chapter 515, and enters into the following findings of fact, conclusions of law and order. Century Indemnity Company consents to the entry of this order. Century Indemnity Company admits that the Iowa Insurance Division has personal jurisdiction over it and has subject matter jurisdiction over this matter.

I. FINDINGS OF FACT

1. Century Indemnity Company ("Century Indemnity") is a Pennsylvania domiciled insurer that holds an Iowa certificate of authority for the lines of casualty, property, surety, vehicle and workers compensation.
2. The annual financial statement filed with the Division by Century Indemnity reported that, as of December 31, 2014, it possessed policyholders' surplus in the amount of twenty five million dollars (\$25,000,000).
3. In Note 1 of the annual financial statement as of December 31, 2014, Century Indemnity states that, had it complied with NAIC Statement of Statutory Accounting Principles ("SSAP"), policyholders' surplus would have been negative Six Hundred Six Million Nine Hundred Eighty Three Thousand Dollars (\$606,983,000). Therefore, Century Indemnity's policyholders' surplus, as determined using NAIC SSAP, fails to meet the requirement to maintain and possess Two and One-Half Million Dollars (\$2,500,000) in bona fide surplus funds or meet the risk-based capital requirement under Iowa Code Chapter 521E, whichever is greater.

4. On May 21, 2015, the Iowa Department of Inspections and Appeals sent the President of Century Indemnity, Robert Omrod, a Notice of Hearing and Statement of Charges seeking to suspend the company's certificate of authority in the state of Iowa. The basis of the request for suspension was the financial condition of the company.

5. In response, Century Indemnity notified the Iowa Insurance Division that Century Indemnity is and has been operating under the Pennsylvania Insurance Department Restructuring Order No. MS95-10-056.

## II. CONCLUSIONS OF LAW

6. Iowa Administrative rule 191-5.15(2) provides that the annual statements provided by insurance companies shall be prepared in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual ("NAIC SSAP") in effect for the period covered by the statement.

7. Iowa Code § 515.69 (2013) states, in pertinent part, that all foreign insurance companies shall not, directly or indirectly, take risks or transact business of insurance in Iowa unless the company has Two and One-Half Million Dollars (\$2,500,000) of actual paid-up capital or invested in securities authorized by law of not less than Two and One-Half Million Dollars (\$2,500,000) or to meet the risk-based capital requirements under Iowa Code Chapter 521E, whichever is greater.

8. Century Indemnity is and has been operating under the Pennsylvania Insurance Department Restructuring Order No. MS95-10-056.

## III. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 515 that:

- A. Century Indemnity shall not write any new business in the state of Iowa without the prior written approval of the Division.
- B. Century Indemnity shall service any existing policies of insurance issued to persons residing in Iowa.
- C. Century Indemnity shall notify the Division within 15 days if it fails in any material respect to meet the requirements of the Pennsylvania Insurance Department's Final Order No. MS95-10-056 as applied and interpreted by the Pennsylvania Insurance Department. The Division reserves the right to suspend the certificate of authority for any material failure to comply with the Pennsylvania Insurance Department's Final Order No. MS95-10-056, as applied and interpreted by the Pennsylvania Insurance Department, pursuant to Iowa Code § 515.69 or any other applicable statute or rule.
- D. Nothing contained in the Order shall in any way limit the right of the Division to institute administrative or legal action against Century Indemnity for any other past conduct or future activity in violation of Iowa laws or regulations.

Dated this 12 day of August, 2015.

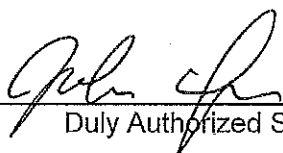
Iowa Insurance Commissioner

  
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JAMES N. ARMSTRONG  
Deputy Commissioner of Insurance

CONSENT TO ORDER

I, John Dwyer, being a duly authorized signatory, have read, understood, and do knowingly consent to this Order in its entirety. By executing this consent, I understand that I am waiving Century Indemnity Company's rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review. I also understand that this Order is considered final administrative action that shall be reported by the Division to the Central Registration Depository, if securities licensed, and, if insurance licensed, to the National Association of Insurance Commissioners. I also understand that this Order is a public record under Iowa Code chapter 22 (2015), that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(6)(c) (2015). I also understand that the information contained in the Order will be posted to the Division's web site and a notation will be made to a publicly available web site record that administrative action has been taken against the company.

Dated this 10<sup>th</sup> day of August, 2015.

  
Duly Authorized Signatory

John Dwyer  
Printed Name

Subscribed and sworn before me by John Dwyer on this 10<sup>th</sup> day of August, 2015.

  
Notary Public for the state of Pennsylvania

