

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF THE CERTIFICATE)
OF AUTHORITY OF AFFIRMATIVE)
INSURANCE COMPANY) SUMMARY ORDER OF SUSPENSION
)
NAIC # 42609)

Now comes the Iowa Insurance Division (“Division”) pursuant to the provisions of the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C and finds the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, pursuant to Iowa Code § 505.8 (2015), administers and enforces the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C.
2. Affirmative Insurance Company (“AIC”) is an Illinois corporation with a last known mailing address of 150 Harvester Drive, Suite 300, Burr Ridge, Illinois 60527-5965.
3. AIC is and has been issued a Certificate of Authority with the Division since December 8, 1988.

II. FINDINGS OF FACT

4. The Division issued AIC a Certificate of Authority on December 8, 1988 and assigned NAIC number 42609.
5. AIC filed a Uniform Consent to Service of Process (the “Consent”) on January 2, 2007. In submitting the Consent, AIC designated the Commissioner as an agent for service of process.

6. On March 1, 2016, Anne Melissa Dowling, Acting Director of Insurance of the State of Illinois, in her capacity as statutory and court-affirmed Rehabilitator of AIC filed AIC's 2015 Annual Statement, reporting an insolvency in excess of \$30 million. A Complaint for Liquidation with a Finding of Insolvency was also filed on March 1 with the Illinois Supervising Court.
7. On March 24, 2016, an Order of Liquidation with a Finding of Insolvency was entered against AIC by the Circuit Court of Cook County, Illinois pursuant to the provisions of Article XIII of the Illinois Insurance Code, 215 ILCS5/187 et. seq.

III. CONCLUSIONS OF LAW

8. Iowa Code § 507C.60 (2015) provides that "without advance notice or a hearing, the commissioner may suspend immediately the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation, or other delinquency proceedings have been commenced in any state by the public insurance supervisory official of that state."
9. AIC is and has been in receivership and subject to an Order of Liquidation commended by the Acting Director of Insurance of the State of Illinois which was effective on March 24, 2016.

IV. ORDER

IT IS THEREFORE ORDERED that:

- A. The Iowa Certificate of Authority issued to AIC shall be immediately suspended. The period of suspension shall be continuous from the date of this Order until terminated by further written order of the Commissioner.
- B. AIC shall not solicit or issue new policies of insurance or assume any Iowa risk.
- C. AIC shall file its annual financial statement and pay any fees and taxes required to be paid under Iowa law.

D. AIC shall service any existing policies of insurance issued to persons residing in Iowa.

Dated this 25th day of March, 2015.

Iowa Insurance Division

/s/

JAMES N. ARMSTRONG
Deputy Commissioner of Insurance
Iowa Insurance Division

NOTICE

Failure to comply with the provisions of this Order shall be grounds for further administrative action under Iowa Code Chapter 507C and other applicable insurance code chapters, or for injunctive relief in district court.

If you fail to request a hearing within 30 days of the date of this Order, the Order shall be a final Order of the Commissioner of Insurance and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

The failure to request a hearing can constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order, pursuant to Iowa Code Chapter 17A, after the Order becomes final. The Order becomes final 30 days after it is issued if you do not timely request a contested case hearing, or 30 days following any ruling from a contested case hearing.

NOTICE OF RIGHT TO REQUEST HEARING

NOTICE IS HEREBY GIVEN that Affirmative Insurance Company may request a hearing in this matter. This request must be in writing and must be filed within 30 calendar days of the date of this Order, with Robert Koppin, Company Regulation Counsel, 601 Locust St., Fourth Floor, Des Moines, Iowa 50309. A notice of the hearing shall be prepared and shall be given at least 15 days before the date of the hearing unless the parties agree to an earlier date. The hearing shall be held within 90 days after the date of the notice of the hearing unless extended by the presiding officer for good cause with at least 15 days notice to the parties. The resulting hearing will be held in accordance with Iowa Code Chapter 17A.

Copy to:

By First Class Mail:

J. Kevin Baldwin
General Counsel & Director of Receivership Operations
Illinois Office of the Special Deputy Receiver
222 Merchandise Mart Plaza, Suite 960
Chicago, IL 60654

Affirmative Insurance Company
150 Harvester Drive, Suite 300
Burr Ridge, IL 60527-5965

By Local Mail:

Robert Koppin
Company Regulation Attorney