

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)
)
FINANCIAL AMERICAN LIFE INSURANCE) ORDER OF SUSPENSION AND
COMPANY) CONSENT TO ORDER
NAIC # 71455)

Now comes the Iowa Insurance Division (“Division”), pursuant to the provisions of the Iowa Life Insurance Companies Act – chapter 508, and enters into the following findings of fact, conclusions of law and order. Financial American Life Insurance Company consents to the entry of this order. Financial American Life Insurance 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. The Commissioner of Insurance, Nick Gerhart, pursuant to Iowa Code § 505.8 (2015), administers and enforces the Iowa Life Insurance Companies Act - Iowa Code Chapter 508.
2. Financial American Life Insurance Company (“Financial American”) is a Kansas domiciled life insurer that has held an Iowa certificate of authority to conduct accident, health and life insurance business since November 19, 1971.
3. Iowa Code § 508.5 (2015) requires Financial American to maintain, at all times, a minimum capital and surplus of \$5,000,000, or the risk-based capital requirements pursuant to Iowa Code Chapter 521E, whichever is greater.
4. Financial American reported total capital and surplus at December 31, 2015 of \$3,666,167.
5. Iowa Code § 508.15A(1) (2015) provides, after a hearing provided pursuant to chapter 17A, that the commissioner may suspend a foreign insurer’s certificate of authority if the insurer no longer meets the requirements for the certificate of authority.

6. A June 2, 2016 email from Robert Sullivan, counsel for Financial American, states that the company is willing to enter into a voluntary order of suspension with the Division. Mr. Sullivan represented that Financial American, since the summer of 2013, has discontinued writing new credit insurance business and has been in run-off.

II. CONCLUSIONS OF LAW

7. Paragraphs 1-6 are incorporated by reference.

8. Financial American failed to comply with the minimum capital and surplus requirements of Iowa to maintain a license pursuant to Iowa Code § 508.5 (2015).

III. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 508 that:

A. The Certificate of Authority issued to Financial American Life Insurance Company (NAIC No. 71455) to act as an insurer is hereby immediately suspended pursuant to Iowa Code § 508.15A.

B. Financial American shall not write any new business in the state of Iowa without the prior written approval of the Division.

C. Financial American shall service any existing policies of insurance issued to persons residing in Iowa.

D. Financial American shall be allowed, during the term of this suspension, to collect, according to policy terms, premiums due on all policies issued and outstanding in this state.

E. Financial American shall file, when due, all financial statements, reports, rates, and forms required of insurers doing business in this state.

F. Financial American shall file with the Division, contemporaneously with its filing with its domiciliary regulator, copies of all filings by Financial American relating to any proposed sale of its business and the Iowa certificate of authority, during any period in which the Iowa certificate of authority is suspended.

G. This order is effective on the date it is signed by the Deputy Commissioner of Insurance.

H. Nothing contained in the Order shall in any way limit the right of the Division to institute administrative or legal action against Financial American for any other past conduct or future activity in violation of Iowa laws or regulations.

Dated this 23rd day of June, 2016.

Iowa Insurance Commissioner

/s/

JAMES N. ARMSTRONG
Deputy Commissioner of Insurance

CONSENT TO ORDER

I, Manuel J. Millor, 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 Financial American Life Insurance 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 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 9th day of June, 2016.

/s/

Manuel J. Millor

Duly Authorized Signatory

Printed Name

Subscribed and sworn before me by Manual J. Millor on this 9th day of June, 2016.

Felicia Rubio

Notary Public for the state of Florida