

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF THE CERTIFICATE)
OF AUTHORITY OF GATEWAY INSURANCE) ORDER REINSTATING CERTIFICATE
COMPANY) OF AUTHORITY AFTER SUSPENSION
)
NAIC # 28339)

Pursuant to the provisions of the Iowa Insurance Division Act – Iowa Code Chapter 505 and Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C, this matter comes before the Iowa Insurance Division (“Division”) upon an application of Gateway Insurance Company for the reinstatement of its Certificate of Authority.

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Doug Ommen, pursuant to Iowa Code § 505.8 (2022), administers and enforces the Insurance Division Act – Iowa Code Chapter 505 and the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C.
2. Gateway Insurance Company (“GIC”) is an insurer with a last known mailing address of 953 American Lane, 3rd Floor, Schaumburg, IL 60173.
3. GIC filed an application with the Division for reinstatement of its suspended Certificate of Authority.
4. The Commissioner is authorized to issue this Order pursuant to Iowa Code §§ 505.8(1) and 507C.60 (2022).
5. GIC’s Certificate of Authority with the Division had been suspended effective February 20, 2020.

II. FINDINGS OF FACT

6. The Division suspended the Certificate of Authority of GIC effective February 20, 2020 and had previously assigned NAIC number 28339.
7. On October 16, 2019, the Director of the Illinois Department of Insurance (the “Director”) entered into an Agreed Order of Rehabilitation with GIC and as ordered by the Circuit Court of Cook County Illinois, Chancery Division. The Director was affirmed as the statutory Rehabilitator of GIC and authorized to orderly wind down and run off the business and affairs of GIC.
8. On February 20, 2020, Kim Cross, Deputy Commissioner of Supervision, entered into a Summary Order of Suspension of the Certificate of Authority of GIC.
9. GIC has filed an application to lift the suspension order dated February 20, 2020.
10. The Office of the Special Deputy Receiver of the Illinois Department of Insurance (the “Receiver”), as the domestic regulator of GIC, states the following on its website regarding the sale of certain assets within the liquidation proceedings of GIC:

On June 17, 2020, the Liquidator and Buckle Corp., Inc. (“Buckle”) closed the stock purchase agreement (“SPA”) and related transactions previously approved by the supervising court on June 10, 2020, completing Buckle’s purchase of 100% of the stock of GIC, and the channeling to Buckle of certain assets consisting of 47 state licenses for the transaction of the business of insurance and 9 state statutory deposits. All other assets, including \$4,200,000 in consideration received from Buckle, were not channeled to Buckle and, together with all liabilities of the estates, remained subject to the liquidation proceedings.

On June 10, 2020, the court supervising the liquidation of GIC entered a Memorandum Opinion and Order Approving Stock Purchase Agreement, Sale Transaction and Channeling Injunction as to Certain Assets whereby the Liquidator was authorized to complete a transaction with Buckle.

(Underlining emphasis added).

11. On June 10, 2020, the Circuit Court of Cook County, Illinois County Department, Chancery Division issued a Memorandum Opinion and Order Approving Stock Purchase

Agreement, Sale Transaction and Channeling Injunction as to Certain Assets (the “Order”). The Order states, in part, that, “Upon Closing, the Liquidator’s administration of the Post-Closing Assets and his conduct of that portion of GIC’s business related to such Post-Closing Assets shall cease and terminate, and Buckle shall take ownership, possession, and control over the Post-Closing Assets all as provided in this Order and SPA. The Liquidation Estate shall remain subject to this Liquidation Proceeding in respect of the balance of the Liquidation Estate property, business and affairs until the further order of this Court.” The Order approved the acts of the Rehabilitator and the relief set forth in the Order.

12. The quarterly financial statement of GIC dated as of December 31, 2021 shows a policyholder surplus of \$10,657,336.

13. According to a Certificate of Compliance issued by the Illinois Department of Insurance and dated January 4, 2022, GIC is authorized to transact its lines of business under the Illinois Insurance Code.

III. CONCLUSIONS OF LAW

14. Iowa Code § 505.8 (2022) provides that “the commissioner of insurance shall be the head of the division, and shall have general control, supervision, and direction over all insurance business transacted in the state, and shall enforce all the laws of the state relating to federal and state insurance business transacted in the state.”

15. Iowa Code § 507C.60 (2022) 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.”

16. GIC has filed an application to lift the suspension order dated February 20, 2020.

17. GIC is not longer in receivership and subject to an Order of Rehabilitation commended by the Director of the Illinois Insurance Department which was effective on October 16, 2019.

18. GIC has met its burden of establishing that the basis for the summary suspension of its Certificate of Authority no longer exists.

IV. ORDER

IT IS THEREFORE ORDERED that:

A. GIC's application to lift the suspension order dated February 20, 2020 is granted and its Certificate of Authority is hereby reinstated; and

B. GIC shall immediately be permitted to transact and participate in the business of insurance in Iowa subject to the issuance of a new Certificate of Authority.

Dated this 9th day of May, 2022.

Iowa Insurance Division

/s/

KIM CROSS
Deputy Commissioner of Supervision

Cc:

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