

BEFORE THE IOWA INSURANCE COMMISSIONER

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IN THE MATTER OF THE CERTIFICATE )  
OF AUTHORITY OF AMERICAN COUNTRY ) ORDER REINSTATING CERTIFICATE  
INSURANCE COMPANY ) OF AUTHORITY AFTER SUSPENSION  
)  
NAIC # 38237 )

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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 American Country 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. American Country Insurance Company (“ACIC”) is an insurer with a last known mailing address of 953 American Lane, 3<sup>rd</sup> Floor, Schaumburg, IL 60173.
3. ACIC 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. ACIC’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 ACIC effective February 20, 2020 and had previously assigned NAIC number 38237.

7. On July 19, 2019, the Director of the Illinois Department of Insurance (the "Director") entered into an Agreed Order of Rehabilitation with ACIC and as ordered by the Circuit Court of Cook County Illinois, Chancery Division. The Director was affirmed as the statutory Rehabilitator of ACIC and authorized to conduct the efficient and orderly administration of the rehabilitation of ACIC.

8. On February 20, 2020, Kim Cross, Deputy Commissioner of Supervision, entered into a Summary Order of Suspension of the Certificate of Authority of ACIC.

9. ACIC has filed an application to lift the suspension order dated February 20, 2022.

10. The Office of the Special Deputy Receiver of the Illinois Department of Insurance (the "Receiver"), as the domestic regulator of ACIC, states the following on its website regarding the sale of certain assets made within the liquidation proceedings of ACIC:

On May 25, 2021, the Liquidator and Buckle Corp., Inc. ("Buckle") closed the stock purchase agreement ("SPA") and related transactions previously approved by the supervising court on November 4, 2020, completing Buckle's purchase of 100% of the stock of ACIC and ASIC, and the channeling to Buckle of certain assets consisting of 64 state licenses for the transaction of the business of insurance. All other assets, including \$3,000,000 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 November 4, 2020, the court supervising the liquidation of ACIC and ASIC 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 November 4, 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 of American Service Insurance Company and American Country Insurance Company (the "Order"). The

Order finds, in part, that, “Upon Closing, the Liquidator’s administration of the Post-Closing Assets and his conduct of that portion of ASIC’s and ACIC’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 the SPA. The Liquidation Estates shall remain subject to this Liquidation Proceedings in respect of the balance of the Liquidation Estates’ property, business and affairs under the further order of this Court.”

12. The annual financial statement of ACIC dated as of December 31, 2021 shows a policyholder surplus of \$6,675,065.

13. According to a Certificate of Compliance issued by the Illinois Department of Insurance and dated January 4, 2022, ACIC 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. ACIC has filed an application to lift the suspension order dated February 20, 2020.

17. ACIC 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 July 19, 2019.

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

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KIM CROSS  
Deputy Commissioner of Supervision

Cc:

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