



The Coinsurance Agreement provides that EMC National will cede its risks under the Policies to Central United on a 100 percent quota share basis, and from time to time thereafter on an assumption reinsurance basis, in each case as contemplated by the terms of the Master Agreement. Under the Administrative Services Agreement, Central United will provide EMC National with Support Services reasonably required in connection with the maintenance, support, and administration of the Policies.

The Assumption Agreement and Master Agreement provide that Central United will reinsure and assume the Policies that have been issued in the name of EMC National, while receiving in exchange all of EMC National's rights, liabilities, and obligations as of the effective date. The contractual language effectively moves responsibility for these Policies from EMC National to Central United without diminishing policyholder contract rights. Also, because Central United is a licensee in good standing with the Division and possesses adequate reserves, its assumption of these contract responsibilities should not adversely impact the existing policyholders of Central United or EMC National.

Under this record, the Commission finds that the interests of EMC National's and Central United's policyholders are properly protected. The Commission further finds that no reasonable objection for approval of the Agreement exists.

#### **IV. CONCLUSION OF LAW**

The legislature has vested discretion in the Commission not only to make factual findings, but also to interpret and apply the law. Iowa Code sections 521.3 and 521.8 (2011) permit the Commission to approve an assumption reinsurance agreement if it determines that the applicant demonstrates the two criteria listed within Iowa Code section 521.8 (2011) to the satisfaction of the Commission.

The Commission concludes, upon substantial evidence, that the Assumption Reinsurance Agreement between Central United and EMC National meets the two requirements of Iowa Code section 521.8 (2011), and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

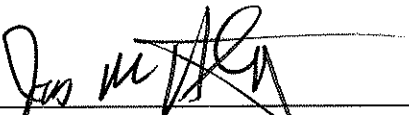
CENTRAL UNITED LIFE INSURANCE COMPANY'S application for approval of its Assumption Reinsurance Agreement with EMC NATIONAL LIFE COMPANY is **APPROVED**.


This Order shall be considered the final agency action for the purposes of Iowa Code chapter 17A (2011). Any action challenging this Order shall comply with the requirements of Iowa Code chapter 17A (2011).

Dated and Effective this 6<sup>th</sup> day of July, 2011.

SUSAN E. VOSS  
Iowa Insurance Commissioner

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Iowa Attorney General

  
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