

BEFORE THE INSURANCE COMMISSIONER AND THE ATTORNEY GENERAL OF
THE STATE OF IOWA

In re the application of CMFG LIFE)	FINDING OF FACT,
INSURANCE COMPANY for approval)	CONCLUSIONS OF LAW
of an Assumption Reinsurance)	AND ORDER
Agreement with CUMIS LIFE)	(Iowa Code section 521.8)
INSURANCE COMPANY)	

I. INTRODUCTION

Pursuant to Iowa Code sections 521.5 and 521.8 (2013), on July 29, 2013, the undersigned Commission heard an application for approval of an Assumption Reinsurance Agreement (“Assumption Agreement”) between CMFG LIFE INSURANCE COMPANY (“CMFG Life”), an Iowa domiciled stock life insurance company and CUMIS LIFE INSURANCE COMPANY (“CUMIS”), a Canadian domiciled stock life insurance company.

The Commission reviewed the Assumption Agreement, and other relevant filings to be effective upon receipt of required regulatory approvals. This Assumption Agreement only covers business written prior to 1977 through the Canadian branch of CMFG Life (the “Canadian Branch”) and does not involve policies issued in the United States. The Commission also took notice of the fact that CMFG Life is licensed and in good standing with the Iowa Insurance Division (“Division”) and has a current financial statement on file with the Division.

II. JURISDICTION

The Commission has jurisdiction over this proceeding under Iowa Code sections 521.2, 521.3, 521.4, 521.5, and 521.8 (2013).

III. FINDINGS OF FACT

CUMIS will assume on an assumption reinsurance basis, all obligations and benefits attributable to all insurance policies and annuities issued by the Canadian Branch, including all related reinstatements. CMFG Life will cede, transfer, and assign to CUMIS, all of its right, title and interest in all insurance policies and annuities issued by the Canadian Branch. CMFG Life structured the transaction in a manner that protects

the interests of affected policyholders by (1) ensuring there are no changes to the terms or benefits provided by the covered policies and annuities, (2) maintaining policyholder dividend expectations, and (3) preserving policyholder membership interests in CUNA Mutual Holding Company.

Except for the CUNA Mutual Holding Company membership interests, CUMIS accepts and assumes on an assumption reinsurance basis, the Canadian liabilities and the Canadian policies and agrees to discharge, perform and fulfill all of the liabilities relating to the Canadian policies and to be responsible to the policyholders under the Canadian policies to the same extent as if the Canadian policies had been originally issued or assumed by CUMIS in its own name, except that the Canadian policies shall not participate in the profits of CUMIS.

Once the policies are assumed, CMFG Life plans to withdraw and close the Canadian Branch as the final step in completing its exit from Canada. As part of the Assumption Agreement, CMFG Life and the CUMIS Group Limited (“CUMIS Limited”) will enter into a Services Agreement, whereby CUMIS Limited will provide certain services to CMFG Life to assist in completing the withdrawal of the Canadian Branch.

CMFG Life shall have no further rights or liability. The contractual language for the all reserves and other provisions made for claims, benefits and any other assumed liabilities were determined in accordance with the requirements of applicable law. CUMIS’s assumption of these contract responsibilities should not adversely impact CUMIS’s existing policyholders.

Under this record, the Commission finds that the interests of CMFG Life’s and CUMIS’s policyholders are properly protected under the Assumption Agreement. The Commission further finds that no reasonable objection for approval of the Assumption Agreement exists.

IV. CONCLUSIONS 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 (2013) permit the Commission to approve an assumption reinsurance agreement if it determines that the applicant demonstrates the two criteria listed within section 521.8 (2013) to the satisfaction of the Commission.

The Commission concludes, upon substantial evidence, that the Assumption Reinsurance Agreement between CMFG Life and CUMIS meets the two requirements of Iowa Code section 521.8 (2013), and should be approved.

ORDER

IT IS THEREFORE ORDERED that:

CMFG Life Insurance Company's application for approval of its assumption reinsurance agreement with CUMIS Life Insurance Company is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code chapter 17A (2013). Any action challenging this Order shall comply with the requirements of Iowa Code chapter 17A (2013).

Dated this 29th day of July, 2013.

NICK GERHART
Iowa Insurance Commissioner

THOMAS J. MILLER
Iowa Attorney General

_____/s/_____
By: JAMES N. ARMSTRONG
Deputy Commissioner of Insurance

_____/s/_____
By: JEANIE KUNKLE VAUDT
Assistant Attorney General

Copy to:

CUNA Mutual Group
Attn: Brian Kaas
5910 Mineral Point Road
Madison, WI 53705