

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
INSURANCE AND FINANCIAL
SERVICES BILL)

A BILL FOR

1 An Act relating to reinsurance requirements for county and
2 state mutual insurance associations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 518.17, subsection 1, Code 2024, is
2 amended to read as follows:

3 1. A county mutual insurance association may reinsure a
4 part or all of its coverages written pursuant to this chapter
5 with an association operating under this chapter, or with any
6 other association or company ~~licensed in this state~~ that is in
7 compliance with chapter 521B and authorized to write the kinds
8 of insurance enumerated in section 518.11.

9 Sec. 2. Section 518A.44, subsection 1, Code 2024, is amended
10 to read as follows:

11 1. A state mutual insurance association may reinsure a
12 part or all of its coverages written pursuant to this chapter
13 with an association operating under this chapter, or with any
14 other association or company ~~licensed in this state~~ that is in
15 compliance with chapter 521B and authorized to write the kinds
16 of insurance enumerated in section 518A.1.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill relates to reinsurance requirements for county and
21 state mutual insurers.

22 Under current law, a county mutual insurance association
23 (county association) may reinsure its coverages written under
24 Code chapter 518 with any association or company (company)
25 licensed in the state and authorized to write insurance
26 enumerated in Code section 518.11. A state mutual insurance
27 association (state association) may insure its coverages
28 written under Code chapter 518A with any company licensed in
29 the state and authorized to write insurance enumerated in Code
30 section 518A.1.

31 Under the bill, a county association and a state association
32 may reinsure coverages with a company that is in compliance
33 with Code chapter 521B, rather than one licensed in the state.