

507C.30 Setoffs.

1. Except as provided in subsection 2 and section 507C.33 mutual debts or mutual credits between the insurer and another person in connection with an action or proceeding under this chapter shall be set off and the balance only shall be allowed or paid.

2. *a.* A setoff shall not be allowed in favor of a person where any of the following are found:

(1) At the date of the filing of a petition for liquidation, the obligation of the insurer to the person would not entitle the person to share as a claimant in the assets of the insurer.

(2) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff.

(3) The obligation of the insurer is owed to the affiliate of such person, or any other entity or association other than the person.

(4) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution.

(5) The obligation of the person is to pay earned premiums to the insurer.

b. Nothing in paragraph "*a*", however, restricts the right of a person to set off premium due to or from the insurer pursuant to a reinsurance contract.

84 Acts, ch 1175, § 30; 92 Acts, ch 1117, § 26; 96 Acts, ch 1045, § 1