

514.23 Mutualization plan.

1. A corporation organized and governed by this chapter may become a mutual insurer under a plan which is approved by the commissioner of insurance. The plan shall state whether the insurer will be organized as a for-profit corporation pursuant to chapter 490 or 491 or a nonprofit corporation pursuant to chapter 504 or 504A. Upon consummation of the plan, the corporation shall fully comply with the requirements of the law that apply to a mutual insurance company. If the insurer is to be organized under chapter 504 or 504A, then at least seventy-five percent of the initial board of directors of the mutual insurer so formed shall be policyholders who are also nonproviders of health care. All directors comprising this initial board of directors shall be selected by an independent committee appointed by the state commissioner of insurance. This independent committee shall consist of seven to eleven persons who are current policyholders, who are nonproviders of health care, and who are not directors of a corporation subject to this chapter. For purposes of this subsection, a "*nonprovider of health care*" is an individual who is not any of the following:

- a.* A "provider" as defined in section 514B.1, subsection 7.
- b.* A person who has material financial or fiduciary interest in the delivery of health care services or a related industry.
- c.* An employee of an institution which provides health care services.
- d.* A spouse or a member of the immediate family of a person described in paragraphs "*a*" through "*c*".

2. A corporation organized and governed by this chapter which becomes a mutual insurer under this section shall continue as a mutual insurer to be governed by the provisions of section 514.7 and shall also be governed by section 509.3, subsection 6.

85 Acts, ch 239, § 4; 86 Acts, ch 1180, § 6; 90 Acts, ch 1205, § 36; 2004 Acts, ch 1175, §393

References to chapter 504A in subsection 1 to be deleted upon repeal of that chapter; 2004 Acts, ch 1049, §191