

521E.6 Mandatory-control-level event.

1. “*Mandatory-control-level event*” means any of the following events:

a. The filing of a risk-based capital report which indicates that an insurer’s total adjusted capital is less than its mandatory-control-level risk-based capital.

b. Notification by the commissioner to an insurer of an adjusted risk-based capital report that indicates the event in paragraph “a”, provided the insurer does not challenge the adjusted risk-based capital report and request a hearing pursuant to [section 521E.7](#).

c. After a hearing pursuant to [section 521E.7](#), notification by the commissioner to the insurer that the commissioner has rejected the insurer’s challenge of the adjusted risk-based capital report indicating the event in paragraph “a”.

2. In the event of a mandatory-control-level event the commissioner shall do the following:

a. With respect to a life insurer, take action as necessary to place the insurer under supervision or other regulatory control under [chapter 507C](#). If the commissioner takes action pursuant to this paragraph, the mandatory-control-level event is deemed sufficient grounds for the commissioner to take action pursuant to [chapter 507C](#), and the commissioner shall have the rights, powers, and duties with respect to the insurer as set forth in [chapter 507C](#). If the commissioner takes action pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections of [chapter 17A](#) pertaining to summary proceedings. Notwithstanding the provisions of this paragraph, the commissioner may forego any action pursuant to this paragraph for up to ninety days after the mandatory-control-level event if the commissioner finds a reasonable expectation exists that the mandatory-control-level event may be eliminated within the ninety-day period.

b. With respect to a property and casualty insurer, take action as necessary to place the insurer under supervision or other regulatory control under [chapter 507C](#), or, in the case of an insurer which is no longer writing business and which is running off its existing business, the commissioner may allow the insurer to continue its run-off under the supervision of the commissioner. In either event, the mandatory-control-level event is deemed sufficient grounds for the commissioner to take action under [chapter 507C](#) and the commissioner shall have the rights, powers, and duties with respect to the insurer as set forth in [chapter 507C](#). If the commissioner takes action pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections of [chapter 17A](#) pertaining to summary proceedings. Notwithstanding the provisions of this paragraph, the commissioner may forego action for up to ninety days after the mandatory-control-level event if the commissioner finds a reasonable expectation exists that the mandatory-control-level event may be eliminated within the ninety-day period.

96 Acts, ch 1046, §14