

508C.5 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Account" means any of the four accounts created under section 508C.6.
2. "Association" means the Iowa life and health insurance guaranty association created in section 508C.6.
3. "Authorized assessment", or the term "authorized" when used in the context of an assessment, means that a resolution has been passed by the board of directors of the association whereby an assessment will be called immediately or in the future from member insurers for a specified amount. An assessment is authorized when the resolution is passed.
4. "Benefit plan" means a specific employee, union, or association of natural persons benefit plan.
5. "Called assessment", or the term "called" when used in the context of an assessment, means that a notice has been issued by the association to member insurers requiring that an authorized assessment be paid within the time frame set forth within the notice. An authorized assessment becomes a called assessment when notice is mailed by the association to member insurers.
6. "Commissioner" means the commissioner of insurance.
7. "Contractual obligation" means an obligation under a covered policy or contract or a certificate under a group policy or contract, or a portion thereof for which coverage is provided under section 508C.3.
8. "Covered policy" means a policy or contract or a portion of a policy or contract for which coverage is provided under section 508C.3.
9. "Extra-contractual claim" means, without limitation, a claim relating to bad faith in the payment of claims, punitive or exemplary damages, or attorney fees and costs.
10. "Impaired insurer" means a member insurer which, after July 1, 1987, is not an insolvent insurer but is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.
11. "Insolvent insurer" means a member insurer which, after July 1, 1987, is placed under an order of liquidation with a finding of insolvency by a court of competent jurisdiction.
12. "Member insurer" means a person licensed or who holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 508C.3, including a person whose license or certificate of authority in this state has been suspended, revoked, not renewed, or voluntarily withdrawn but not including any of the following:
 - a. An entity which is a licensed company specified in section 508C.3, subsection 3, paragraph "e" or "f".
 - b. A mandatory state pooling plan.
 - c. A mutual assessment company or other person which operates on an assessment basis.
 - d. An insurance exchange.
 - e. An entity which issues a charitable gift annuity under chapter 508F.
 - f. An entity similar to any of the entities enumerated in this subsection.
13. "Moody's corporate bond yield average" means the monthly average corporate bond yields published by Moody's investors service, inc., or any successor thereto.
14. "Owner" of a policy of contract, "policy owner", or "contract owner" means the person who is identified as the legal owner of a policy or contract under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the insurer. "Owner", "policy owner", or "contract owner" does not include a person with a mere beneficial interest in a policy or contract.
15. "Person" means an individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity.
16. "Plan sponsor" means any of the following:
 - a. The employer in the case of a benefit plan established or maintained by a single employer.

b. The employee organization in the case of a benefit plan established or maintained by an employee organization.

c. In the case of a benefit plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan.

17. “*Premium*” means amounts or consideration, by whatever name called, received on covered policies or contracts less returned premiums, considerations, and deposits and less dividends and experience credits. “*Premium*” does not include amounts for consideration received for policies or contracts or for the portions of policies or contracts for which coverage is not provided under section 508C.3, subsection 3, except that assessable premium shall not be reduced on account of the provisions of section 508C.3, subsection 3, paragraph “a”, relating to interest limitations and section 508C.8, subsection 8, paragraph “a”, subparagraph (2), subparagraph division (a), relating to limitations with respect to one individual, one participant, and one owner. “*Premium*” also does not include any of the following:

a. Premiums in excess of five million dollars on an unallocated annuity contract not issued under a governmental retirement plan, or its trustee, established under section 401, 403(b), or 457 of the United States Internal Revenue Code.

b. With respect to multiple nongroup policies of life insurance owned by one owner, whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, premiums in excess of five million dollars with respect to those policies or contracts, regardless of the number of policies or contracts held by the owner.

18. “*Principal place of business*” of a plan sponsor or a person other than a natural person means the single state in which the natural persons who establish policy for the direction, control, and coordination of the operations of the entity as a whole primarily exercise that function as determined pursuant to section 508C.8A.

19. “*Receivership court*” means a court in an insolvent or impaired insurer’s state having jurisdiction over the conservation, rehabilitation, or liquidation of the insurer.

20. “*Resident*” means a person to whom a contractual obligation is owed and who resides in a state on the date of entry of a court order that determines a member insurer is an impaired insurer or a court order that determines a member insurer is an insolvent insurer. A person may be a resident of only one state, which in the case of a person other than a natural person shall be the state of that person’s principal place of business. A citizen of the United States who is a resident of a foreign country, or is a resident of a United States possession, territory, or protectorate that does not have an association similar to the association created by this chapter, shall be deemed a resident of the state or domicile of the insurer that issued the policy or contract.

21. “*State*” means a state, the District of Columbia, Puerto Rico, or a United States possession, territory, or protectorate.

22. “*Structured settlement annuity*” means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injuries suffered by the plaintiff or other claimant.

23. “*Supplemental contract*” means a written agreement entered into for the distribution of proceeds under a life, health, or annuity policy or contract.

24. “*Unallocated annuity contract*” means a guaranteed investment contract, deposit administration contract, or any other annuity contract which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such a contract or certificate.

87 Acts, ch 223, §5; 88 Acts, ch 1135, §4 – 6; 90 Acts, ch 1234, §19, 20; 98 Acts, ch 1057, §7; 2010 Acts, ch 1063, §8 – 15; 2011 Acts, ch 70, §8 – 11

[T] NEW subsections 3 – 5 and former subsections 3 – 12 renumbered as 6 – 15

[T] Subsection 8 amended

[T] NEW subsection 16 and former subsection 13 renumbered as 17

[T] NEW subsections 18 and 19 and former subsections 14 – 18 renumbered as 20 – 24

[T] Subsection 20 amended