

510.17 Premium collection.

1. All insurance charges or premiums collected by a third-party administrator on behalf of or for an insurer, and return premiums received from the insurer, shall be held by the third-party administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them, or shall be deposited promptly in a fiduciary bank account established and maintained by the third-party administrator. If charges or premiums so deposited have been collected on behalf of or for more than one insurer, the third-party administrator shall cause the bank in which the fiduciary account is maintained to keep records clearly recording the deposits in and withdrawals from the account on behalf of or for each insurer. The third-party administrator shall promptly obtain and keep copies of all such records and, upon request of an insurer, shall furnish the insurer with copies of the records pertaining to deposits and withdrawals on behalf of or for that insurer.

2. The third-party administrator shall not pay a claim by withdrawal from the fiduciary account. Withdrawals from the fiduciary account shall be made, as provided in the written agreement between the third-party administrator and the insurer, for any of the following:

- a. Remittance to an insurer entitled thereto.
- b. Deposit in an account maintained in the name of the insurer.
- c. Transfer to and deposit in a claims-paying account, with claims to be paid as provided in section 510.18.
- d. Payment to a group policyholder for remittance to the insurer entitled thereto.
- e. Payment to the third-party administrator of its commission, fees, or charges.
- f. Remittance of return premiums to the persons entitled thereto.

89 Acts, ch 227, §10; 2006 Acts, ch 1117, §43