

CHAPTER 518B

RIOT REINSURANCE PROGRAM

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518B.1 Definitions.

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

1. “*The secretary*” means the secretary of the United States department of housing and urban development.
2. “*Farm property*” means the residence, personal effects, other farm buildings and other personal property used in conjunction with a farming operation.
3. “*The Act*” means Section 1223 of the Housing and Urban Development Act of 1968, Pub. L. No. 90-448, 90th Congress approved August 1, 1968.
4. “*The fund*” or “*fund*” means the federal riot reinsurance reimbursement fund referred to in this chapter.
5. “*Commissioner*” means the commissioner of insurance.
[C71, 73, 75, 77, 79, 81, §518B.1]
2006 Acts, ch 1010, §143

518B.2 Reimbursement fund created.

There is hereby created the federal riot reinsurance reimbursement fund in the office of the treasurer of state which shall be operated under the joint control of the director of the department of administrative services and the commissioner. The fund shall consist of all payments made by insurers in accordance with the provisions of this chapter. The director of the department of administrative services shall have the same power to enforce the collection of the assessments provided hereunder as any other obligation due the state.

[C71, 73, 75, 77, 79, 81, §518B.2]
2003 Acts, ch 145, §286

518B.3 Secretary reimbursed.

The commissioner shall reimburse the secretary in an amount up to five percent of the aggregate property, except farm property insurance premiums earned in this state during the calendar year immediately preceding the calendar year with respect to which the secretary paid losses on lines of insurance reinsured by the secretary in this state during that year and for which the secretary claims reimbursement from the fund in accordance with the Act.

[C71, 73, 75, 77, 79, 81, §518B.3]

518B.4 Insurers assessed.

Whenever the secretary shall, in accordance with the Act, present to the state a request for reimbursement under the Act, the commissioner shall immediately assess all insurers which, during the calendar year with respect to which reimbursement is requested by the secretary, were licensed to write and engaged in writing property insurance business, including the property insurance components of multiperil policies on a direct basis, in this state. The amount of each such insurer’s assessment shall be calculated by multiplying the amount of the reimbursement requested by the secretary by a fraction the numerator of which is the insurer’s premium actually written in this state in that calendar year on habitational and commercial property, except farm property, risks and the denominator of which is the aggregate premiums written by all licensed insurers on such property risks. In no event shall any insurer’s assessment be less than one hundred dollars.

[C71, 73, 75, 77, 79, 81, §518B.4]

518B.5 Warrants issued — overage fund.

The secretary shall be reimbursed up to the amount requested by warrants issued against the fund by the director of the department of administrative services upon vouchers approved by the director of the department of administrative services and the commissioner. If the assessment produces a fund greater than the amount requested by the secretary, the overage shall be placed in a special fund in the office of the treasurer of state under the control of the commissioner and the director of the department of administrative services and shall be applied to any subsequent requests by the secretary for reimbursement of losses paid on lines of insurance reinsured by the secretary in this state in accordance with the Act.

In the event that the provisions of this chapter and the assessments made thereunder are no longer needed in order to effectuate the program for which they were intended, the amounts remaining in the special fund shall inure to the general fund of the state.

[C71, 73, 75, 77, 79, 81, §518B.5]

2003 Acts, ch 145, §286

518B.6 Insolvent insurers.

In the event any insurer fails, by reason of insolvency, to pay any assessment, the commissioner shall cause the reimbursement ratios computed under section 518B.4 to be immediately recalculated excluding therefrom the insolvent insurer, so that its assessment is in effect assumed and redistributed among the remaining insurers.

[C71, 73, 75, 77, 79, 81, §518B.6]

518B.7 Recovery factor included.

Insurers shall include in filings submitted pursuant to chapter 515A, a factor, applicable to the line or lines of insurance on which the assessment is levied, sufficient to recover within not more than three years after the date of assessment any amounts so assessed under section 518B.4 during the preceding calendar year together with the amount of costs and expenses reasonably attributable to such assessment and recovery thereof.

[C71, 73, 75, 77, 79, 81, §518B.7]