

515I.2 Definitions.

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

1. “*Admitted insurer*” means an insurer licensed to do insurance business in this state.
2. “*Affiliate*” means, with respect to an insurer, any entity that controls, is controlled by, or is under common control with the insurer.
3. “*Affiliated group*” means any group of entities that are affiliates.
4. “*Commercial insurance*” means insurance for businesses or professionals.
5. “*Commissioner*” means the commissioner of insurance, or the commissioner’s designees.
6. “*Control*” means either of the following:
 - a. That an entity directly or indirectly, or acting through one or more other persons, owns, controls, or has the power to vote twenty-five percent or more of any class of voting securities of another entity.
 - b. That an entity controls in any manner the election of a majority of the directors or trustees of another entity.
7. “*Eligible surplus lines insurer*” means either of the following:
 - a. A nonadmitted insurer that has filed an application with the commissioner and been approved for placement of surplus lines insurance and appears on the Iowa listing of nonadmitted companies.
 - b. A nonadmitted insurer domiciled outside of the United States that is listed on the quarterly listing of alien insurers maintained by the national association of insurance commissioners.
8. “*Exempt commercial purchaser*” means any person purchasing commercial insurance that, at the time of placement, meets all of the following requirements:
 - a. The person employs or retains a qualified risk manager to negotiate insurance coverage.
 - b. The person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of one hundred thousand dollars in the immediately preceding twelve months.
 - c. The person meets at least one of the following criteria:
 - (1) The person possesses a net worth in excess of twenty million dollars except that beginning on January 1, 2015, and on January 1 every five years thereafter, this amount shall be adjusted to reflect the percentage change in the consumer price index for all urban consumers for the most recent available five-year period published by the United States department of labor, bureau of labor statistics.
 - (2) The person generates annual revenues in excess of fifty million dollars except that beginning on January 1, 2015, and on January 1 every five years thereafter, this amount shall be adjusted to reflect the percentage change in the consumer price index for all urban consumers for the most recent available five-year period published by the United States department of labor, bureau of labor statistics.
 - (3) The person employs more than five hundred full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than one thousand employees in the aggregate.
 - (4) The person is a nonprofit organization or public entity generating annual budgeted expenditures of at least thirty million dollars except that beginning on January 1, 2015, and on January 1 every five years thereafter, this amount shall be adjusted to reflect the percentage change in the consumer price index for all urban consumers for the most recent available five-year period published by the United States department of labor, bureau of labor statistics.
 - (5) The person is a municipality with a population in excess of fifty thousand persons.
9. “*Home state*” means:
 - a. Except as provided in paragraph “b”, with respect to an insured either of the following:
 - (1) The state in which an insured maintains its principal place of business or, in the case of an individual, the individual’s principal residence.
 - (2) If one hundred percent of the insured risk is located out of the state described in subparagraph (1), the state to which the greatest percentage of the insured’s taxable premium for that insurance policy or contract is allocated.

b. If more than one insured from an affiliated group is a named insured on a single surplus lines insurance policy or contract, the home state, as determined pursuant to paragraph “a”, subparagraph (1), of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance policy or contract.

10. “*Independently procured insurance*” means insurance obtained by a person directly from a nonadmitted insurer.

11. “*Insurer*” means the same as defined in section 507.1, subsection 2.

12. “*Nonadmitted insurer*” means an insurer not licensed to do insurance business in this state. “*Nonadmitted insurer*” does not include a risk retention group as defined in chapter 515E.

13. “*Person*” means the same as defined in section 507.1, subsection 2, or any government or governmental entity.

14. “*Placement*” or “*placed*” means that an eligible surplus lines insurer has accepted a premium and issued an insurance policy or contract for a particular risk.

15. “*Premium tax*” means the tax imposed by the state on a contract of insurance equal to the applicable percent, as provided in section 432.1.

16. “*Qualified risk manager*” means a person who meets all of the following requirements:

a. The person is an employee of, or third party consultant retained by a commercial insurance policyholder.

b. The person provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance.

c. The person meets one of the following requirements:

(1) The person has a bachelor’s degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the commissioner to demonstrate minimum competence in risk management; and meets both of the following requirements:

(a) Has three years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance.

(b) Has one of the following designations:

(i) Chartered property and casualty underwriter.

(ii) Associate in risk management.

(iii) Certified risk manager.

(iv) Risk and insurance management society fellow.

(v) Any other designation, certification, or license determined by the commissioner to demonstrate minimum competency in risk management.

(2) The person has at least seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; and has any one of the designations specified in subparagraph (1), subparagraph division (b).

(3) The person has at least ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance.

(4) The person has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the commissioner to demonstrate minimum competence in risk management.

17. “*Surplus lines insurance*” means any property and casualty insurance in this state on properties, risks, or exposures, located or to be performed in this state, that is placed through a surplus lines insurance producer with an eligible surplus lines insurer. For purposes of this chapter only, “*surplus lines insurance*” also includes disability insurance that is in excess of policy limits available from an admitted insurer.

18. “*Surplus lines insurance producer*” means a person licensed pursuant to chapter 522B to sell, solicit, or negotiate surplus lines insurance.

2012 Acts, ch 1025, §2, 22

[T] NEW section