

515I.3 Placement of surplus lines insurance business with nonadmitted insurers.

1. Surplus lines insurance may be placed by a surplus lines insurance producer with a nonadmitted insurer only if all of the following requirements are met:

- a. The proposed nonadmitted insurer is an eligible surplus lines insurer.
- b. The proposed nonadmitted insurer is authorized to write the type of insurance sought in this state in its domiciliary jurisdiction.
- c. Unless otherwise exempt from this requirement, after a diligent search the full amount or type of insurance cannot be obtained from an admitted insurer.
- d. All other requirements of this chapter are met.

2. a. In addition to the full amount of gross premiums charged by the nonadmitted insurer for the insurance on which a premium tax is imposed for surplus lines insurance for which the insured's home state is Iowa, a surplus lines insurance producer shall collect and pay to the state of Iowa the appropriate amount of premium tax as provided in section 432.1 for surplus lines insurance. The commissioner shall adopt rules to specify the use of credits or deductions that may be applied to the premium tax.

b. The tax on any portion of the premium unearned at the termination of the surplus lines insurance that has been credited by the state shall be returned to the policyholder directly by the surplus lines insurance producer. The surplus lines insurance producer is prohibited from rebating, for any reason, any part of the tax.

3. This section shall not apply to a person properly licensed as an insurance producer, who, for a fee and pursuant to a written agreement, is engaged solely to offer advice, counsel, opinion, or service to an insured with respect to the benefits, advantages, or disadvantages promised under any proposed or in-force policy of insurance if the person does not, directly or indirectly, participate in the sale, solicitation, or negotiation of insurance on behalf of the insured.

4. Insurance placed under this section shall be valid and enforceable as to all parties.

2012 Acts, ch 1025, §3, 22

[T] NEW section