

**515I.4 Requirements for eligible surplus lines insurers.**

1. When this state is the home state of the insured, a nonadmitted insurer shall not place any surplus lines insurance business in this state unless the insurer has been approved for such activity by the commissioner. A nonadmitted insurer seeking to qualify as an eligible surplus lines insurer shall submit a request to so qualify in a form and format as directed by the commissioner which demonstrates all of the following:

a. Capital and surplus or its equivalent under the laws of the insurer's domiciliary jurisdiction which equals the greater of either of the following:

- (1) The minimum capital and surplus requirements under the laws of this state.
- (2) Fifteen million dollars.

b. Evidence that the nonadmitted insurer is in good standing with its domiciliary regulator.

2. The commissioner may waive the requirements of this section or set specific requirements on a case-by-case basis upon an affirmative finding of acceptability by the commissioner that the placement of insurance with the nonadmitted insurer is necessary and will not be detrimental to the public and to policyholders. In determining whether business may be placed with a nonadmitted insurer, the commissioner shall consider all of the following:

a. The interests of the public and policyholders.

b. The length of time the insurer has been licensed to do insurance business in its domiciliary jurisdiction and elsewhere.

c. The unavailability of particular coverages from other admitted insurers or eligible surplus lines insurers in this state.

d. The size of the nonadmitted insurer as measured by the insurer's assets, capital and surplus, reserves, premium writings, insurance in force, or other appropriate criteria.

e. The kinds of business the nonadmitted insurer writes, the insurer's net exposure, and the extent to which the insurer's business is diversified among several lines of insurance and geographic locations.

f. The past and projected trend in the size of the nonadmitted insurer's capital and surplus considering such factors as premium growth, operating history, loss and expense ratios, or other appropriate criteria.

3. Eligible surplus lines insurers shall not be required to file or seek approval of their forms and rates.

2012 Acts, ch 1025, §4, 22

[T] NEW section