

CHAPTER 515

INSURANCE OTHER THAN LIFE

Referred to in §87.4, 235F.1, 296.7, 321H.3, 321N.4, 331.301, 364.4, 423.3, 490.902, 491.33, 505.28, 505.29, 506.14, 507.1, 508C.3, 509.5, 514A.1, 515B.1, 515B.2, 515B.9, 515C.10, 515F.32, 515G.1, 518.15, 518A.40, 519.9, 521.1, 521A.1, 521A.2, 521A.14, 521E.1, 521F.2, 521G.2, 521G.3, 522B.1, 533C.103, 535.8, 537.7103, 636.14, 636.16, 669.14, 670.7

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SUBCHAPTER I
INCORPORATION — RESTRICTIONS

515.1 Applicability.

Corporations formed for the purpose of insurance, other than life insurance, shall be governed by the provisions of [chapter 490](#), [chapter 491](#), or [chapter 504](#), except as modified by the provisions of [this chapter](#). The provisions of [this chapter](#) relative to insurance companies shall apply to all such companies, partnerships, associations, or individuals, except those associations governed by the provisions of [chapter 518](#) or [518A](#), companies governed by the provisions of [chapter 508](#) or [514](#), societies governed by the provisions of [chapter 512B](#), and organizations governed by the provisions of [chapter 514B](#), whether incorporated or not.

[C73, §1122; C97, §1684; C24, 27, 31, 35, 39, §8896; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.1]

[85 Acts, ch 239, §5](#); [89 Acts, ch 288, §192](#); [2004 Acts, ch 1049, §191](#); [2004 Acts, ch 1175, §393](#); [2008 Acts, ch 1074, §3](#)

Referred to in [§515.10](#)

515.2 Articles — approval — bylaws.

The articles of incorporation, and any subsequent amendments, of an organization shall be filed with and approved by the commissioner of insurance before filing with the secretary of state. An organization shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of adoption of the bylaws and amendments.

[C73, §1122; C97, §1685; C24, 27, 31, 35, 39, §8897; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.2]

[2000 Acts, ch 1023, §27](#); [2009 Acts, ch 145, §22](#)

Referred to in [§515.10](#)

515.3 Certificate — recording.

If the commissioner of insurance approves them, the commissioner shall so certify, and the articles with the certificates of approval shall be recorded in the office of the secretary of state as articles of other corporations are, who shall endorse thereon the secretary of state's certificate thereof, as is required in case of other corporations for pecuniary profit.

[C73, §1123; C97, §1686; C24, 27, 31, 35, 39, §8898; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.3]

Recording, [§491.5](#)

515.4 Name.

If the commissioner of insurance finds the name of the company to be so similar to one already appropriated by a corporation of the same character as to be likely to mislead the public or to cause inconvenience, the commissioner shall refuse the commissioner's certificate to its articles on that ground.

[C73, §1122; C97, §1687; C24, 27, 31, 35, 39, §8899; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.4]

515.5 Filing with commissioner.

The articles, when thus certified by the secretary of state as recorded in the secretary of state's office, or a copy thereof certified by the secretary of state as such, shall be filed in the office of the commissioner of insurance and remain therein.

[C73, §1123; C97, §1688; C24, 27, 31, 35, 39, §8900; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.5]

515.6 Reserved.

515.7 Stock and mutual plan distinguished.

No company shall be organized to do business upon both stock and mutual plans; nor shall a company organized as a stock company do business upon the plan of a mutual company; nor shall a company organized upon the mutual plan do business or take risks upon the stock plan.

[C73, §1159; C97, §1690; C24, 27, 31, 35, 39, §8902; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.7]

SUBCHAPTER II
STOCK COMPANIES

515.8 Paid-up capital and surplus required.

1. An insurance company other than a life insurance company shall not be incorporated to transact business upon the stock plan with less than five million dollars of capital and surplus, the entire amount of which shall be fully paid up in cash and invested as provided by law. An insurance company other than a life insurance company shall not increase its capital stock unless the amount of the increase is fully paid up in cash. An insurance company authorized to do business in Iowa that undergoes a change of control as defined under [chapter 521A](#) shall maintain the minimum capital and surplus requirements mandated by [this section](#).

2. Notwithstanding [subsection 1](#), an insurance company, other than a life insurance company, authorized to transact business under [this chapter](#) shall comply with the minimum capital requirements of [this section](#) or [chapter 521E](#), whichever is greater.

[C73, §1124; C97, §1691; S13, §1783-e; C24, 27, 31, 35, 39, §8903; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.8]

[90 Acts, ch 1234, §33](#); [95 Acts, ch 185, §19](#); [96 Acts, ch 1046, §3](#); [98 Acts, ch 1057, §9](#)

Referred to in [§511.23, 515C.2](#)

515.9 Reduction of capital or shares.

Any insurance company, other than life, may, upon the vote of a majority of its shares of stock represented at a meeting legally called for that purpose, reduce its capital stock and the number of shares thereof or the par value of the shares thereof, provided that the total amount of capital shall not be reduced to an amount less than the minimum required by law, but no part of its assets and property shall be distributed to its stockholders without the consent of the insurance commissioner.

[C27, 31, 35, §8903-b1; C39, §8903.1; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.9]

Referred to in [§511.23](#)

515.10 Subscriptions of stock — applications.

After compliance by the incorporators with [sections 515.1](#) and [515.2](#), the secretary of state shall certify the articles of incorporation to the commissioner of insurance. When the commissioner of insurance is satisfied that all provisions of law in relation to the promotion and organization of said corporation, including [sections 506.4 to 506.6](#), have been complied with, the commissioner shall issue a certificate to that effect, and thereupon such corporation may open books for subscriptions to the stock of stock companies or if a mutual company take applications and receive premiums for insurance at such times and places as it may find convenient, and may keep such books open until the full amount required is subscribed or taken, or the time granted therefor has expired, or until an order is issued by the commissioner of insurance to desist for failure to comply with the provisions of law in reference thereto.

[C73, §1125; C97, §1694; C24, 27, 31, 35, 39, §8917; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.25]

[2007 Acts, ch 152, §2](#)

CS2007, §515.10

Referred to in [§511.23](#)

515.11 Prohibited loans. Transferred to §515.23; 2015 Acts, ch 128, §52.

515.11A Transfer of stock.

Transfers of stock made by any stockholder or the stockholder's legal representative shall be subject to the provisions of [chapters 491](#) and [492](#) relative to transfer of shares, and to such restrictions as the directors shall establish in their bylaws, except as hereinafter provided.

[2008 Acts, ch 1074, §4](#)

SUBCHAPTER III
MUTUAL COMPANIES

515.12 Mutual companies — conditions.

No mutual company shall issue policies or transact any business of insurance unless it shall hold a certificate of authority from the commissioner of insurance authorizing the transaction of such business, which certificate of authority shall not be issued until and unless the company shall comply with the following conditions:

1. It shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least two hundred policies issued to at least two hundred members for the same kind of insurance upon not less than two hundred separate risks, each within the maximum single risk described herein; provided that not more than one hundred members shall be required for employer's liability and workers' compensation insurance.

2. The maximum single risk shall not exceed twenty percent of the admitted assets, or three times the average risk, or one percent of the insurance in force, whichever is the greater, any reinsurance taking effect simultaneously with the policy being deducted in determining such maximum single risk.

3. It shall have collected a premium upon each application, which premium shall be held in cash or securities in which insurance companies are authorized to invest, which shall be equal, in case of fire insurance, to not less than twice the maximum single risk assumed subject to one fire nor less than ten thousand dollars; and in any other kind of insurance, to not less than five times the maximum single risk assumed; and, in case of employer's liability and workers' compensation insurance, to not less than fifty thousand dollars.

4. For the purpose of transacting employer's liability and workers' compensation insurance, the applications shall cover not less than one thousand five hundred employees, each such employee being considered a separate risk for determining the maximum single risk.

5. *a.* The mutual company shall have in cash or in securities in which insurance companies are authorized to invest, surplus in an amount not less than five million dollars. The surplus so required may be advanced in accordance with [section 515.19](#). A mutual company authorized to do business in Iowa that undergoes a change of control as defined under [chapter 521A](#) shall maintain the minimum surplus requirements mandated by [this section](#).

b. However, the surplus requirements do not apply to a company which establishes and maintains a guaranty fund as provided by [section 515.20](#).

[C73, §1124; C97, §1692; C24, 27, 31, 35, 39, §8906; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.12]

[90 Acts, ch 1234, §36](#); [95 Acts, ch 185, §21](#); [2012 Acts, ch 1023, §157](#)

Referred to in [§515.12A, 515.13](#)

515.12A Alternative minimum surplus levels.

A mutual company authorized to transact business under [this chapter](#) shall comply with the minimum surplus requirements of [section 515.12](#) or [chapter 521E](#), whichever is greater.

[96 Acts, ch 1046, §7](#)

515.13 Reservation.

None of the provisions of [section 515.12, subsection 5](#), shall apply to any company heretofore organized and approved by the commissioner of insurance, but which had not completed its organization on May 28, 1937, nor shall [section 515.12, subsection 5](#), apply to any company already licensed to issue policies.

[C39, §8906.1; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.13]
[2013 Acts, ch 30, §126](#)

515.14 Membership in mutuals.

Any public or private corporation, board, or association in this state, or elsewhere, may make applications, enter into agreements for and hold policies in any such mutual insurance company. Any officer, stockholder, trustee, or local representative of any such corporation, board, association, or estate may be recognized as acting for, or on its behalf for the purpose of such membership, but shall not be personally liable upon such contract of insurance by reason of acting in such representative capacity. The right of any corporation organized under the laws of this state to participate as a member of any such mutual insurance company is hereby declared to be incidental to the purpose for which such corporation is organized and as much granted as the rights and powers expressly conferred.

[C73, §1124; C97, §1693; C24, 27, 31, 35, 39, §8907; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.14]

515.15 Voting power.

Every policyholder of such mutual company shall be a member of the company and shall be entitled to one vote, and such member may vote in person or by proxy as may be provided in the bylaws.

[C24, 27, 31, 35, 39, §8908; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.15]

515.16 Maximum premium.

The maximum premium payable by any member of a mutual company shall be expressed in the policy and in the application for the insurance. Such maximum may be a cash premium and an additional contingent premium not less than the cash premium, or may be solely a cash premium, which premium may be made payable in installments or regular assessments. No policy shall be issued for a cash premium without an additional contingent premium unless the company has a surplus which is not less in amount than the capital stock required, at the time of the organization of such mutual insurance company, of domestic stock insurance companies writing the same kind of insurance; but said surplus shall not be less than one hundred thousand dollars.

[C24, 27, 31, 35, 39, §8909; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.16]

515.17 Unearned premiums.

Such mutual company shall maintain unearned premium and other reserves separately for each kind of insurance, upon the same basis as that required of domestic insurance companies transacting the same kind of insurance; provided that any reserve for losses or claims based upon the premium income shall be computed upon the net premium income, after deducting any so-called dividend or premium returned or credited to the member.

[C24, 27, 31, 35, 39, §8910; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.17]

515.18 Assessments.

Any such mutual company not possessed of assets at least equal to the unearned premium reserve and other liabilities shall make an assessment upon its members liable to assessment to provide for such deficiency, such assessment to be against each member in proportion to such liability as expressed in the member's policy; provided the commissioner may by written order, relieve the company from an assessment or other proceedings to restore such assets during the time fixed in such order.

[C24, 27, 31, 35, 39, §8911; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.18]
Referred to in [§515.20](#)

515.19 Advancement of funds.

Any director, officer, or member of any such mutual company, or any other person, may advance to such company, any sum or sums of money necessary for the purpose of its business, or to enable it to comply with any of the requirements of the law, and such moneys and such interest thereon as may have been agreed upon, not exceeding the maximum statutory rate of interest, shall not be a liability or claim against the company or any of its assets, except as herein provided, and upon approval of the commissioner of insurance may be repaid, but only out of the surplus earnings of such company. No commission or promotion expenses shall be paid in connection with the advance of any such money to the company. The amount of such advance shall be reported in each annual statement.

[C24, 27, 31, 35, 39, §8912; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.19]

[2013 Acts, ch 90, §156](#)

Referred to in [§515.12](#), [515.20](#)

515.20 Guaranty capital.

A mutual company organized under [this chapter](#) may establish and maintain guaranty capital of at least fifty thousand dollars made up of multiples of ten thousand dollars, divided into shares of not less than fifty dollars each, to be invested as provided for the investment of insurance capital and funds by [section 515.35](#). Guaranty shareholders shall be members of the corporation, and provision may be made for representation of the shareholders of the guaranty capital on the board of directors of the corporation. The representation shall not exceed one-third of the membership of the board. Guaranty shareholders in a mutual company are subject to the same regulations of law relative to their right to vote as apply to its policyholders. The guaranty capital shall be applied to the payment of the legal obligations of the corporation only when the corporation has exhausted its assets in excess of the unearned premium reserve and other liabilities. If the guaranty capital is thus impaired, the directors may restore the whole, or any part of the capital, by assessment on the corporation's policyholders as provided for in [section 515.18](#). By a legal vote of the policyholders of the corporation at any regular or special meeting of the policyholders of the corporation, the guaranty capital may be fully retired or may be reduced to an amount of not less than fifty thousand dollars, if the net surplus of the corporation together with the remaining guaranty capital is equal to or exceeds the amount of minimum assets required by [this chapter](#) for such companies, and if the commissioner of insurance consents to the action. Due notice of the proposed action on the part of the corporation shall be included in the notice given to policyholders and shareholders of any annual or special meeting and notice of the meeting shall also be given in accordance with the corporation's articles of incorporation. A company with guaranty capital, which has ceased to do business, shall not distribute among its shareholders or policyholders any part of its assets, or guaranty capital, until it has fully performed, or legally canceled, all of its policy obligations. Shareholders of the guaranty capital are entitled to interest on the par value of their shares at a rate to be fixed by the board of directors and approved by the commissioner, cumulative, payable semiannually, and payable only out of the surplus earnings of the company. However, the surplus account of the company shall not be reduced by the payment of the interest below the figure maintained at the time the guaranty capital was established. In addition, the interest payment shall not be made unless the surplus assets remaining after the payment of the interest at least equal the amount required by the statutes of Iowa to permit the corporation to continue in business. In the event of the dissolution and liquidation of a corporation having guaranty capital under [this section](#), the shareholders of the capital are entitled, after the payment of all valid obligations of the company, to receive the par value of their respective shares, together with any unpaid interest on their shares, before there may be any distribution of the assets of the corporation among its policyholders. These provisions are in addition to and independent of the provisions contained in [section 515.19](#).

[C35, §8912-f1; C39, §8912.1; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.20]

[86 Acts, ch 1038, §1](#); [87 Acts, ch 115, §64](#)

Referred to in [§515.12](#), [515G.1](#)

515.21 Additional policy provisions.

Such mutual company may insert in any form of policy prescribed by the law of this state any additional provisions or conditions required by its plan of insurance if not inconsistent or in conflict with any law of this state.

[C24, 27, 31, 35, 39, §8913; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.21]

515.22 Countersigning policies. Repealed by 98 Acts, ch 1057, §13.

SUBCHAPTER IV
GENERAL PROVISIONS

515.23 Prohibited loans.

Capital, surplus, funds, or other assets, or any part of any or all of the foregoing, shall not be directly or indirectly loaned to an officer, director, stockholder, or employee of a company or to a relative of an officer or director of a company.

[S13, §1783-e; C24, 27, 31, 35, 39, §8905; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.11]

[88 Acts, ch 1112, §401](#); [90 Acts, ch 1234, §35](#); [2015 Acts, ch 128, §50 – 52](#)

C2016, §515.23

Referred to in [§511.23](#)

515.24 Tax — computation.

For the purpose of determining the basis of any tax upon the gross amount of premiums, or gross receipts from premiums, assessments, fees, and promissory obligations, now or hereafter imposed upon any fire or casualty insurance company under any law of this state, such gross amount or gross receipts shall consist of the gross written premiums or receipts for direct insurance, without including or deducting any amounts received or paid for reinsurance except that any company reinsuring windstorm or hail risks written by county mutual insurance associations shall be required to pay as a tax the applicable percent provided in [section 432.1](#), calculated upon the gross amount of reinsurance premiums received upon such risks, but with such other deductions as provided by law, and in addition deducting any so-called dividend or return of savings or gains to policyholders; provided that as to any deposits or deposit premiums received by any such company, the taxable premiums shall be the portion of such deposits or deposit premiums earned during the year with such deductions therefrom as provided by law.

[C24, 27, 31, 35, 39, §8916; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.24]

[2002 Acts, ch 1119, §181](#); [2006 Acts, ch 1117, §66](#); [2017 Acts, ch 54, §60](#)

515.25 Reserved.**515.26 Directors.**

The affairs of a company organized as provided by [this chapter](#) shall be managed by a number of directors of not less than five nor more than twenty-one.

[C73, §1126; C97, §1695; C24, 27, 31, 35, 39, §8918; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.26]

[91 Acts, ch 213, §25](#); [99 Acts, ch 165, §12](#); [2013 Acts, ch 124, §16](#)

515.27 Election.

The annual meetings for the election of directors shall be held at such time as the articles of incorporation or bylaws of the company provide; but if for any cause no election is held, or there is a failure to elect at any annual meeting, then a special meeting for that purpose shall be held on the call of a majority of the directors, or of those persons holding a majority of the stock, or of a majority of policyholders if a mutual company, by giving thirty days' notice

thereof in some newspaper of general circulation in the county in which the principal office of the company is located.

[C73, §1127; C97, §1696; C24, 27, 31, 35, 39, §8919; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.27]

515.28 Term of office.

The directors chosen at any such annual or special meeting shall continue in office until the next annual meeting, and until their successors are elected and have accepted.

[C73, §1127; C97, §1696; C24, 27, 31, 35, 39, §8920; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.28]

515.29 Classification of directors.

A company may in its articles of incorporation provide that the board of directors be divided into classes holding for a term of not to exceed five years and providing for the election of the members of one class at each annual meeting.

[C24, 27, 31, 35, 39, §8921; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.29]

[96 Acts, ch 1045, §4](#)

515.30 Election of officers.

The directors shall elect a president, a secretary, and such other officers as may be necessary for transacting the business of the company.

[C73, §1128, 1129; C97, §1697, 1698; C24, 27, 31, 35, 39, §8922, 8923; C46, 50, 54, 58, 62, 66, 71, 73, 75, §515.30, 515.31; C77, 79, 81, §515.30]

515.31 Filling of vacancies.

The directors shall have authority to fill vacancies occurring on the board of directors, and shall fill vacancies of officers occurring between regular elections.

[C73, §1128; C97, §1697; C24, 27, 31, 35, 39, §8922; C46, 50, 54, 58, 62, 66, 71, 73, 75, §515.30; C77, 79, 81, §515.31]

515.32 Bylaws.

It may adopt such bylaws and regulations not inconsistent with law as shall appear to them necessary for the regulation and conduct of the business.

[C73, §1129; C97, §1698; C24, 27, 31, 35, 39, §8924; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.32]

515.33 Record and inspection.

The directors shall keep full and correct entries of their transactions, which shall at all times be open to the inspection of the stockholders if a stock company, or policyholders if a mutual company, and to the inspection of persons invested by law with the right thereof.

[C73, §1129; C97, §1698; C24, 27, 31, 35, 39, §8925; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.33]

515.34 Reserved.

515.35 Investments.

1. *General considerations.* The following considerations apply in the interpretation of [this section](#):

a. [This section](#) applies to the investments of insurance companies other than life insurance companies.

b. The purpose of [this section](#) is to protect and further the interests of policyholders, claimants, creditors, and the public by providing standards for the development and administration of programs for the investment of the assets of companies organized under [this chapter](#). These standards, and the investment programs developed by companies, shall take into account the safety of the company's principal, investment yield and growth,

stability in the value of the investment, and liquidity necessary to meet the company's expected business needs, and investment diversification.

c. Financial terms relating to insurance companies have the meanings assigned to them under statutory accounting methods. Financial terms relating to companies other than insurance companies have the meanings assigned to them under generally accepted accounting principles.

d. Investments shall be valued in accordance with the valuation procedures established by the national association of insurance commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.

e. If an investment qualifies under more than one subsection, a company may elect to hold the investment under the subsection of its choice. [This section](#) does not prevent a company from electing to hold an investment under a subsection different from the one under which it previously held the investment.

2. *Definitions.* For purposes of [this section](#):

a. "Admitted assets", for purposes of computing percentage limitations on particular types of investments, means the assets which are authorized to be shown on the national association of insurance commissioner's annual statement blank as admitted assets as of the December 31 immediately preceding the date the company acquires the investment.

b. "Capital and surplus", for purposes of computing percentage limitations on particular types of investments, means the capital and surplus that is authorized to be shown as capital and surplus on the national association of insurance commissioners' annual statement blank as of the December 31 immediately preceding the date the company acquires the investment.

c. "Clearing corporation" means as defined in [section 554.8102](#).

d. "Custodian bank" means a bank or trust company that is supervised and examined by state or federal authority having supervision over banks and is acting as custodian for a clearing corporation.

e. "Issuer" means as defined in [section 554.8201](#).

f. "Member bank" means a national bank, state bank, or trust company which is a member of the United States federal reserve system.

g. "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada.

h. "Obligations" includes bonds, notes, debentures, transportation equipment certificates, domestic repurchase agreements, and obligations for the payment of money not in default as to payments of principal and interest on the date of investment, which constitute general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment of principal and interest on the obligations. A lease is an obligation if the lease is assigned to the insurer and is nonterminable by the lessee upon foreclosure of any lien upon the leased property, and if rental payments are sufficient to amortize the investment over the primary lease term.

3. *Investments in name of company or nominee and prohibitions.*

a. A company's investments shall be held in its own name or the name of its nominee, except as follows:

(1) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either on the following conditions:

(a) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others.

(b) When the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee of a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the company making the deposit.

(c) If a clearing corporation is to act as depository, the investment may be merged or held in bulk in the name of the clearing corporation or its nominee with other investments deposited with the clearing corporation by any other person, if a written agreement between

the clearing corporation and the company provides that adequate evidence of the deposit is to be obtained and retained by the company or a custodian bank.

(2) A company may loan securities held by it to a broker-dealer registered under the Securities Exchange Act of 1934, a national bank, or a state bank, foreign bank, or trust company that is a member of the United States federal reserve system, and the loaned securities shall continue to be allowable investments of the company.

(a) The loan shall be fully collateralized by cash, cash equivalents, or obligations issued or guaranteed by the United States or an agency or instrumentality of the United States. The company shall take delivery of the collateral either directly or through an authorized custodian.

(b) If the loan is collateralized by cash or cash equivalents, the cash or cash equivalent collateral may be reinvested by the company in either individual securities which are allowable investments of the company or in repurchase agreements fully collateralized by such securities if the company takes delivery of the collateral either directly or through an authorized custodian or a pooled fund comprised of individual securities which are allowable investments of the company. If such reinvestment is made in individual securities or in repurchase agreements, the individual securities or the securities which collateralize the repurchase agreements shall mature in less than two hundred seventy days. If such reinvestment is made in a pooled fund, the average maturity of the securities comprising such pooled fund must be less than two hundred seventy days. Individual securities and securities comprising the pooled fund shall be investment grade.

(c) The loan shall be evidenced by a written agreement which provides all of the following:

(i) That the loan will be fully collateralized at all times during the term of the loan, and that the collateral will be adjusted as necessary each business day during the term of the loan to maintain the required collateralization in the event of market value changes in the loaned securities or collateral.

(ii) If the loan is fully collateralized by cash or cash equivalents, the cash or cash equivalent collateral may be reinvested by the company as provided in subparagraph division (b).

(iii) That the loan may be terminated by the company at any time, and that the borrower shall return the loaned stocks and obligations or equivalent stocks or obligations within five business days after termination.

(iv) That the company has the right to retain the collateral or use the collateral to purchase investments equivalent to the loaned securities if the borrower defaults under the terms of the agreement, and that the borrower remains liable for any losses and expenses incurred by the company due to default that are not covered by the collateral.

(d) Securities loaned pursuant to this subparagraph (2) are not eligible for investment of the company in excess of twenty percent of admitted assets.

(3) A company may participate through a member bank in the United States federal reserve book-entry system, and the records of the member bank shall at all times show that the investments are held for the company or for specific accounts of the company.

(4) An investment may consist of an individual interest in a pool of obligations or a fractional interest in a single obligation if the certificate of participation or interest or the confirmation of participation or interest in the investment is issued in the name of the company or the name of the custodian bank or the nominee of either and if the interest as evidenced by the certificate or confirmation is, if held by a custodian bank, kept separate and apart from the investments of others so that at all times the participation may be identified as belonging solely to the company making the investment.

(5) Transfers of ownership of investments held as described in paragraph "a", subparagraph (1), subparagraph division (c), and subparagraphs (3) and (4) may be evidenced by bookkeeping entry on the books of the issuer of the investment, its transfer or recording agent, or the clearing corporation without physical delivery of certificate, if any, evidencing the company's investment.

b. Except as provided in paragraph "a", subparagraph (5), if an investment is not evidenced by a certificate, adequate evidence of the company's investment shall be obtained from the issuer or its transfer or recording agent and retained by the company, a custodian

bank, or clearing corporation. Adequate evidence, for purposes of this paragraph, means a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the company.

4. *Investments.* Except as otherwise permitted by [this section](#), a company organized under [this chapter](#) may invest in the following and no other:

a. *United States government obligations.* Obligations issued or guaranteed by the United States or an agency or instrumentality of the United States. Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America include investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. §80a-1 et seq., and operated in accordance with [17 C.F.R. §270.2a-7](#), the portfolio of which is limited to the United States government obligations described in this paragraph “a”, and which are included in the national association of insurance commissioners’ securities valuation office’s United States direct obligation – full faith and credit list.

b. *Certain development bank obligations.* Obligations issued or guaranteed by the international bank for reconstruction and development, the Asian development bank, the inter-American development bank, the export-import bank, the world bank, or any United States government-sponsored organization of which the United States is a member, if the principal and interest is payable in United States dollars. A company shall not invest more than five percent of its total admitted assets in the obligations of any one of these banks or organizations, and shall not invest more than a total of ten percent of its total admitted assets in the obligations authorized by this paragraph.

c. *State obligations.* Obligations issued or guaranteed by a state of the United States, or a political subdivision of a state, or an instrumentality of a state or political subdivision of a state.

d. *Canadian government obligations.* Obligations issued or guaranteed by the Dominion of Canada, or by an agency or province of Canada, or by a political subdivision of a province, or by an instrumentality of any of those provinces or political subdivisions.

e. *Corporate and business trust obligations.* Obligations issued, assumed, or guaranteed by a corporation or business trust organized under the laws of the United States or a state of the United States, or the laws of Canada or a province of Canada, provided that a company shall not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust. Aggregate investments in below investment grade bonds shall not exceed five percent of assets.

f. *Stocks, limited partnership interests, and limited liability company interests.*

(1) A company may invest in common stocks, common stock equivalents, mutual fund shares, securities convertible into common stocks or common stock equivalents, or preferred stocks issued or guaranteed by a corporation incorporated under the laws of the United States or a state of the United States, or the laws of Canada or a province of Canada.

(a) Stocks purchased under [this section](#) shall not exceed one hundred percent of capital and surplus. With the approval of the commissioner, a company may invest any amount in common stocks, preferred stocks, or other securities of one or more subsidiaries provided that after such investments the insurer’s surplus as regards policyholders will be reasonable in relation to the insurer’s outstanding liabilities and adequate to its financial needs.

(b) A company shall not invest more than ten percent of its capital and surplus in the stocks of any one corporation.

(2) In addition to those investments permitted under subparagraph (1), a company may invest in or otherwise acquire and hold a limited partnership interest in any limited partnership formed under the laws of any state, commonwealth, or territory of the United States, or under the laws of the United States. A company may invest in or otherwise acquire and hold a member interest in any limited liability company formed under the laws of any state, commonwealth, or territory of the United States or under the laws of the United States. A limited partnership or limited liability company interest shall not be acquired if the investment, valued at cost, exceeds two percent of the capital and surplus of the company or if the investment, plus the book value on the date of the investment of all limited partnership

or limited liability company interests then held by the company and held under the authority of this subparagraph, exceeds ten percent of the capital and surplus of the company. A limited partnership or limited liability company interest shall not be acquired under this subparagraph unless the limited partnership or limited liability company is audited annually by an independent auditor.

g. Real estate mortgages. Mortgages and other interest-bearing securities that are first liens upon real estate located within this state or any other state of the United States. However, a mortgage or other security does not qualify as an investment under this paragraph if at the date of acquisition the total indebtedness secured by the lien exceeds seventy-five percent of the value of the property that is subject to the lien. Improvements shall not be considered in estimating value unless the owner contracts to keep them insured during the life of the loan in one or more reliable fire insurance companies authorized to transact business in this state and for a sum at least equal to the excess of the loan above seventy-five percent of the value of the ground, exclusive of improvements, and unless this insurance is payable in case of loss to the company investing its funds as its interest may appear at the time of loss. For the purpose of [this section](#), a lien upon real estate shall not be held or construed to be other than a first lien by reason of the fact that drainage or other improvement assessments have been levied against the real estate covered by the lien, whether or not the installment of the assessments have matured, but in determining the value of the real estate for loan purposes the amount of drainage or other assessment tax that is unpaid shall be first deducted.

h. Real estate.

(1) (a) Except as provided in subparagraphs (2), (3), and (4) of this paragraph, a company may acquire, hold, and convey real estate only as follows:

(i) Real estate mortgaged to it in good faith as security for loans previously contracted, or for moneys due.

(ii) Real estate conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

(iii) Real estate purchased at sales on judgments, decrees, or mortgages obtained or made for debts previously contracted in the course of its dealings.

(iv) Real estate subject to a contract for deed under which the company holds the vendor's interest to secure the payments the vendee is required to make under the contract.

(b) All real estate specified in subparagraph division (a), subparagraph subdivisions (i), (ii), and (iii) shall be sold and disposed of within three years after the company acquires title to it, or within three years after the real estate ceases to be necessary for the accommodation of the company's business, and the company shall not hold any of those properties for a longer period unless the company elects to hold the property under another paragraph of [this section](#), or unless the company procures a certificate from the commissioner of insurance that its interest will suffer materially by the forced sale of those properties and that the time for the sale is extended to the time the commissioner directs in the certificate.

(2) A company may acquire, hold, and convey real estate as required for the convenient accommodation and transaction of its business.

(3) A company may acquire real estate or an interest in real estate as an investment for the production of income, and may hold, improve, or otherwise develop, subdivide, lease, sell, and convey real estate so acquired directly or as a joint venture or through a limited or general partnership in which the company is a partner.

(4) A company may also acquire and hold real estate if the purpose of the acquisition is to enhance the sale value of real estate previously acquired and held by the company under this paragraph, and if the company expects the real estate so acquired to qualify under subparagraph (2) or (3) of this paragraph within three years after acquisition.

(5) A company may, after securing the written approval of the commissioner, acquire and hold real estate for the purpose of providing necessary living quarters for its employees. However, the company shall dispose of the real estate within three years after it has ceased to be necessary for that purpose unless the commissioner agrees to extend the holding period upon application by the company.

(6) A company shall not invest more than twenty-five percent of its total admitted assets in

real estate. The cost of a parcel of real estate held for both the accommodation of business and for the production of income shall be allocated between the two uses annually. A company shall not invest more than ten percent of its total admitted assets in real estate held under subparagraph (3) of this paragraph.

(7) A company is not required to divest itself of real estate assets owned or contracted for prior to July 1, 1982, in order to comply with the limitations established under this paragraph.

i. Foreign investments. Obligations of and investments in foreign countries, as follows:

(1) A company may acquire and hold other investments in foreign countries that are required to be held as a condition of doing business in those countries, so long as such investments are of substantially the same types as those eligible for investment under [this section](#).

(2) A company shall not invest more than two percent of its admitted assets in the stocks or stock equivalents of foreign corporations or business trusts, other than the stocks or stock equivalents of foreign corporations or business trusts incorporated or formed under the laws of Canada, and then only if the stocks or stock equivalents of such foreign corporations or business trusts are regularly traded on the New York, London, Paris, Zurich, Hong Kong, Toronto, or Tokyo stock exchange, or a similar exchange approved by the commissioner by rule or order.

(3) A company may invest in the obligations of a foreign government other than Canada or of a corporation incorporated under the laws of a foreign government other than Canada. Any such governmental obligation must be valid, legally authorized and issued, and on the date of acquisition have predominantly investment qualities and characteristics as provided by rule. Any such corporate obligation must on the date of acquisition have investment qualities and characteristics, and must not have speculative elements which are predominant, as provided by rule. A company shall not invest more than two percent of its admitted assets in the obligations of a foreign government other than Canada and the United Kingdom. Investments in obligations of the United Kingdom are not eligible in excess of four percent of admitted assets. A company shall not invest more than two percent of its admitted assets in the obligations of a corporation incorporated under the laws of a foreign government other than a corporation incorporated under the laws of Canada.

(4) A company shall not invest more than twenty percent of its admitted assets in foreign investments pursuant to this paragraph.

j. Personal property under lease. Personal property for intended lease or rental by the company in the United States or Canada. A company shall not invest more than five percent of its admitted assets under this paragraph.

k. Collateral loans. Obligations secured by the pledge of an investment authorized by paragraphs "a" through "j", subject to the following conditions:

(1) The pledged investment shall be legally assigned or delivered to the company.

(2) The pledged investment shall at the time of purchase have a market value of at least one hundred ten percent of the amount of the unpaid balance of the obligations.

(3) The company shall reserve the right to declare the obligation immediately due and payable if at any time after purchase the security depreciates to the point where the investment would not qualify under subparagraph (2) of this paragraph. However, additional qualifying security may be pledged to allow the investment to remain qualified.

l. Options transactions.

(1) A domestic fire and casualty company may only engage in the following transactions in options on an exchange and only when in accordance with the rules of the exchange on which the transactions take place:

(a) The sale of exchange-traded covered options.

(b) The purchase of exchange-traded covered options solely in closing purchase transactions.

(2) The commissioner shall adopt rules pursuant to [chapter 17A](#) regulating option sales under this subparagraph.

m. Venture capital funds. Shares or equity interests in venture capital funds which agree to invest an amount equal to at least fifty percent of the investments by a company in small businesses having their principal offices within this state and having either more than one-half

of their assets within this state or more than one-half of their employees employed within this state. A company shall not invest more than five percent of its capital and surplus under this paragraph. For purposes of this paragraph, “*venture capital fund*” means a corporation, partnership, proprietorship, or other entity formed under the laws of the United States, or a state, district, or territory of the United States, whose principal business is or will be the making of investments in, and the provision of significant managerial assistance to, small businesses which meet the small business administration definition of small business. “*Equity interests*” means limited partnership interests and other equity interests in which liability is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability. “*Venture capital fund*” includes an equity interest in the Iowa fund of funds as defined in [section 15E.62](#) and an equity interest in an innovation fund as defined in [section 15E.52](#).

n. Other investments.

(1) A company organized under [this chapter](#) may invest up to five percent of its admitted assets in securities or property of any kind, without restrictions or limitations except those imposed on business corporations in general.

(2) A company organized under [this chapter](#) may invest its assets in any additional forms not specifically included in paragraphs “a” through “m” and this paragraph when authorized by rules adopted by the commissioner.

5. *Rules.* The commissioner may adopt rules pursuant to [chapter 17A](#) to carry out the purposes and provisions of [this section](#).

[C73, §1130, 1137; C97, §1699, 1703; S13, §1699; C24, 27, 31, 35, 39, §8926, 8927; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.34, 515.35; 81 Acts, ch 169, §1; 82 Acts, ch 1051, §1] 85 Acts, ch 136, §2; 88 Acts, ch 1112, §402; 91 Acts, ch 26, §40; 96 Acts, ch 1138, §2, 84; 97 Acts, ch 186, §10; 98 Acts, ch 1014, §2; 99 Acts, ch 165, §13; 2001 Acts, ch 69, §29; 2003 Acts, ch 91, §34; 2004 Acts, ch 1110, §52 – 54; 2007 Acts, ch 137, §12; 2009 Acts, ch 41, §159 – 161; 2012 Acts, ch 1023, §120 – 122; 2013 Acts, ch 124, §17; 2014 Acts, ch 1092, §116, 117, 185; 2015 Acts, ch 128, §22, 50, 51

Referred to in §515.20, 518.14, 518A.12, 521G.6
Similar provisions, §511.8

515.36 Financial statements — mutual companies.

After complying with the requirements of the preceding sections of [this chapter](#), the company shall file with the commissioner of insurance a satisfactory detailed statement showing the financial condition of the company, including all transactions had during its organization, together with a record of all moneys received and disbursed, a list of the stockholders, the amount of stock purchased by each, and the price paid. The incorporators or officers of such mutual company shall file the statement under oath required of stock companies.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §8928, 8929; C46, 50, 54, 58, 62, 66, §515.36, 515.37; C71, 73, 75, 77, 79, 81, §515.36]

515.37 Subsidiary companies.

Any insurance company incorporated in this state may organize, or acquire by purchase, in whole or in part, subsidiary insurance and investment companies in which it owns not less than fifty-one percent of the common stock, and, subject to the approval of the insurance commissioner and provided that no company invest an amount in excess of thirty percent of its capital and surplus in the stock of such subsidiary companies, may:

1. Invest funds from surplus for each purpose.
2. Make loans to such subsidiaries.
3. Permit all or part of its officers and directors to serve as officers or directors of any such subsidiary companies.

[C71, 73, 75, 77, 79, 81, §515.37]

515.38 Examination — certificate of compliance.

Such commissioner may appoint in writing some disinterested person to make an examination and if it shall be found that the capital or assets herein required of the company

named, according to the nature of the business proposed to be transacted by such company, have been paid in, and are now possessed by it in money or such stock, bonds, and mortgages as are required by the preceding sections of [this chapter](#), the commissioner shall so certify; but if the examination is made by another than the commissioner, the certificate shall be by that person, and under that person's oath.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §8930; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.38]

515.39 Ownership of assets — oath.

The incorporators or officers of any such company, or proposed company, shall be required to state to the commissioner of insurance under oath that the capital or assets exhibited to the person making the examination are actually and in good faith the property of the company examined, and free and clear of any lien or claim on the part of any other person.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §8931; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.39]

515.40 Form of certificate.

The certificate of examination of a mutual company shall be to the effect that it has received and has in its actual possession:

1. The cash premiums.
2. Actual contracts of insurance upon property, belonging to the signers thereof, and upon which the insurance applied for can properly be issued.
3. Other securities, as the case may be, to the extent and value hereinbefore required.

[C97, §1700; C24, 27, 31, 35, 39, §8932; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.40]

515.41 Certificate of authority.

The certificate and statements above contemplated shall be filed in the division and the commissioner of insurance shall deliver to the company a copy of the report of the examination, in the event one is made, together with the commissioner's written permission for it to commence the business proposed in its articles of incorporation, which permission shall be its authority to commence business and issue policies.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §8933; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.41]

515.42 Tenure of certificate — renewal — evidence.

A certificate of authority shall expire on the first day of June next succeeding its issue, and shall be renewed annually so long as such company shall transact business in accordance with the requirements of law; a copy of which certificate, when certified to by the commissioner of insurance, shall be admissible in evidence for or against a company with the same effect as the original. A company shall submit annually, on or before March 1, a completed application for renewal of its certificate of authority. A company that fails to timely file an application for renewal shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in [section 505.7](#).

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §8934; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.42]

[88 Acts, ch 1112, §107](#); [2006 Acts, ch 1117, §67](#); [2009 Acts, ch 181, §76](#)

515.43 Reserved.

515.44 Dividends.

The directors or managers of a stock company, incorporated under the laws of this state shall make no dividends except from the earned profits arising from their business, which shall not include contributed capital or contributed surplus.

[C73, §1136; C97, §1702; C24, 27, 31, 35, 39, §8936; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.44]

Referred to in [§515.46](#)

515.45 Reserve fund required. Repealed by 2000 Acts, ch 1023, §59, 60.

515.46 Forfeiture of certificate of authority.

Any dividend made contrary to the provisions of [section 515.44](#) or rules adopted by the commissioner shall subject the company making it to forfeiture of its certificate of authority.

[C73, §1136; C97, §1702; C24, 27, 31, 35, 39, §8938; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.46]

[2000 Acts, ch 1023, §28, 60](#)

515.47 Unearned premium reserve — computation. Repealed by 2000 Acts, ch 1023, §59, 60.

515.48 Kinds of insurance.

Any company organized under [this chapter](#) or authorized to do business in this state may:

1. *a.* Insure dwelling houses, stores and all kinds of buildings and household furniture, and other property against direct or indirect or consequential loss or damage, including loss of use or occupancy and the depreciation of property lost or damaged by fire, smoke, smudge, lightning and other electrical disturbances, collision, falls, wind, tornado, cyclone, volcanic eruptions, earthquake, hail, frost, snow, sleet, ice, weather or climatic conditions, including excess or deficiency of moisture, flood, rain, or drought, rising of the waters of the ocean or its tributaries, bombardment invasion, insurrection, riot, strikes, labor disturbances, sabotage, civil war or commotion, military or usurped power, any order of a civil authority made to prevent the spread of a conflagration, epidemic or catastrophe, vandalism or malicious mischief, and by explosion whether fire ensues or not, except explosion on risks specified in [subsection 6](#), provided, however, that there may be insured hereunder the following:

(1) Explosion of pressure vessels, not including steam boilers of more than fifteen pounds pressure, in buildings designed and used solely for residential purposes by not more than four families.

(2) Explosion of any kind originating outside of the insured building or outside of the building containing the property insured.

(3) Explosion of pressure vessels which do not contain steam or which are not operated with steam coils or steam jackets.

(4) Loss or damage by insects or disease to farm crops or products, and loss of rental value of land used in producing such crops or products.

(5) Accidental injury to sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, plumbing and its fixtures, ventilating, refrigerating, heating, lighting, or cooking apparatus, or their connections, or conduits or containers of any gas, fluid, or other substance.

(6) Loss or damage to property of the insured caused by the breakage or leakage or by water, hail, rain, sleet, or snow seeping or entering through water pipes, leaks, or openings in buildings.

(7) Loss of and damage to glass, including lettering and ornamentation thereon, and against loss or damage caused by the breakage of glass.

(8) Loss or damage caused by railroad equipment, motor vehicles, airplanes, seaplanes, dirigibles, or other aircraft.

(9) Risks under a multiple peril nonassessable policy reasonably related to the ownership, use or occupancy of a private dwelling or dwellings.

b. Loss by depreciation as herein referred to may include the cost of repair and replacement.

2. Insure the fidelity of persons holding places of private or public trust, or execute any bond or other obligation whenever the performance or refraining from any contract, act, duty or obligation is required or permitted by law to be made, given, or filed, including all bonds in criminal causes, and insure the maker, drawer, drawee, or endorser of checks, drafts, bills of exchange, or other commercial paper against loss by reason of any alteration of such instruments.

3. Insure the safekeeping of books, papers, moneys, stocks, bonds and all kinds of

personal property from loss, damage or destruction from any cause, and receive them on deposit.

4. Insure against loss or damage by theft, injury, sickness, or death of animals and to furnish veterinary service.

5. *a.* Insure any person, the person's family or dependents, against bodily injury or death by accident, or against disability on account of sickness, or accident, including the granting of hospital, medical, surgical and sick care benefits, but such benefits shall not include the furnishing or replacing in kind of whole human blood or blood products of any kind; however, this provision shall not prohibit payments of indemnity for human blood or blood products. An insurer may contract with health care services providers and offer different levels of benefits to policyholders based upon the provider contracts.

b. Insure against legal liability, and against loss, damage, or expense incident to a claim of such liability, arising out of the death or injury of any person, or arising out of injury to the economic interests of any person as the result of error or negligence in rendering expert, fiduciary or professional service.

c. Insure against loss or damage to property caused by the accidental discharge or leakage of water from automatic sprinkler system and against loss or damage by water or other fluid or substance to any property resulting from the breakage or leakage of other apparatus or of water pipes or other conduits or containers or resulting from casual water entering into cracks or openings in buildings or by seepage through building walls, but not including loss or damage resulting from flood; and including insurance against accidental injury of such sprinklers, pumps, apparatus, conduits or containers.

d. Insure against loss in consequence of accidents or casualties of any kind to employees, including workers' compensation, or to persons or property resulting from any act of an employee, or any accident or casualty to person or property, or both, occurring in or connected with the transaction of insured's business, or from the operation of any machinery connected therewith; or to persons or property for which loss the insured is legally liable including an obligation of the insurer to pay medical, hospital, surgical, funeral or other benefits irrespective of legal liability of insured.

e. Insure against liability for loss or expense arising or resulting from accidents occurring by reason of the ownership, maintenance, or use of automobiles or other conveyances including aircraft, resulting in personal injuries or death, or damage to property belonging to others, or both, and for damages to assured's own automobile or aircraft when sustained through collision with another object, and insure the assured's own automobile or aircraft against loss or damage, including the loss of use thereof, by fire, lightning, windstorm, tornado, cyclone, hail, burglary or theft, vandalism, malicious mischief, or the wrongful conversion, disposal, or concealment thereof, or any one or more of such hazards, whether said automobile or aircraft is held under conditional sale, contract, or subject to chattel mortgages.

f. Insure against loss of or damage to any property of the insured resulting from collision of any object with such property.

6. Insure against loss or injury to person or property, or both, and against loss of rents or use of buildings, and other property growing out of explosion or rupture of boilers, pipes, flywheels, engines, pressure containers, machinery, and similar apparatus of any kind including equipment used for creating, transmitting, or applying power, light, heat, steam, air conditioning or refrigeration.

7. Insure against loss or damage resulting from burglary or robbery, or attempt thereof, or larceny.

8. Insure or guarantee and indemnify merchants, traders, and those engaged in business and giving credit from loss and damage by reason of giving and extending credit to their customers and those dealing with them, which business shall be known as credit insurance.

a. Such insurance may cover losses, less a deduction of an agreed percentage, not to exceed ten percent, representing anticipated profits, and a further deduction not to exceed thirty-three and one-third percent, on losses on credits extended to risks who have inferior ratings, and less an agreed deduction for normal loss.

b. Such coinsurance percentages shall be deducted in advance of the agreed normal loss from the gross covered loss sustained by the insured.

9. Insure vessels, boats, cargoes, goods, merchandise, freights, specie, bullion, jewelry, jewels, profits, commissions, bank notes, bills of exchange, and other evidence of debt, bottomry, and respondentia interest and every insurance appertaining to or connected with any or all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment, incident thereto, including marine builder's risks; and for loss or damage for which the insured is legally liable to persons or property in connection with or appertaining to marine, inland marine, transit, or transportation insurance, including liability for loss of or damage arising out of or in connection with the construction, repair, maintenance, storage or use of the subject matter of such insurance; and insure against loss or damage to silverware, musical instruments, furs, garments, fine arts, precious stones, jewels, jewelry, gold, silver, and other precious metals or valuable items whether used in business, transportation, trade or otherwise; and insure automobiles, airplanes, seaplanes, dirigibles or other aircraft, whether stationary or being operated under their own power, which include all or any of the hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles, airplanes, seaplanes, dirigibles, or other aircraft, and loss by burglary or theft, vandalism, malicious mischief, or the wrongful conversion, disposal or concealment of automobiles whether held under conditional sale, contract, or subject to chattel mortgage, or any one or more of such hazards, including insurance against loss by reason of bodily injury to the person including medical, hospital and surgical expense irrespective of legal liability of insured.

10. Insure any additional risk not specifically included within any of the foregoing classes, which is a proper subject for insurance, is not prohibited by law or contrary to sound public policy, and which, after public notice and hearing, is specifically approved by the commissioner of insurance, except title insurance or insurance against loss or damage by reason of defective title, encumbrances or otherwise. When such additional kind of insurance is approved by the commissioner, the commissioner shall designate within which classification of risks provided for in [section 515.49](#) it shall fall.

[C73, §1132; C97, §1709; S13, §1709; C24, 27, 31, 35, 39, §8940; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.48]

[85 Acts, ch 239, §6](#); [2012 Acts, ch 1023, §157](#); [2016 Acts, ch 1073, §148](#); [2017 Acts, ch 54, §61](#)

Referred to in [§321.1](#), [432.1](#), [432A.1](#), [508C.3](#), [517.1](#), [535.8](#), [811.3](#)

Action on liability policy, chapter 516

515.49 Limitation on risks.

A company shall not expose itself to loss on any one risk or hazard to an amount exceeding ten percent of its surplus to policyholders unless one of the following applies:

1. The excess is reinsured in some other good and reliable company licensed to sell insurance in this state.

2. The excess is reinsured by a group of individual unincorporated insurers who are authorized to sell insurance in at least one state of the United States and who possess assets which are held in trust for the benefit of the American policyholders in the sum of not less than fifty million dollars, and a certificate of such reinsurance shall be furnished to the insured.

3. The excess is reinsured with a company which has, with respect to the ceding insurer, created a trust fund, made a deposit, or obtained letters of credit, on terms satisfactory to the commissioner.

[C73, §1132; C97, §1710; S13, §1710; C24, 27, 31, 35, 39, §8941; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.49]

[88 Acts, ch 1112, §403](#)

Referred to in [§515.48](#), [521.13](#)

515.50 Loans — reinsurance. Repealed by 2007 Acts, ch 152, §84.

515.51 Policies — execution — requirements.

All policies or contracts of insurance except surety bonds made or entered into by the company may be made either with or without the seal of the company, but shall be subscribed by the president, or such other officer as may be designated by the directors for that purpose, and be attested to by the secretary or the secretary's designee of the company. A group motor vehicle or group homeowners policy shall not be written or delivered within this state unless such policy is an individual policy or contract form.

[C73, §1133; C97, §1712; C24, 27, 31, 35, 39, §8943; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.51]

[96 Acts, ch 1045, §5](#); [97 Acts, ch 186, §11](#); [2001 Acts, ch 69, §30](#)

515.52 through 515.61 Repealed by 98 Acts, ch 1057, §13.

515.62 Transfer of stock. Repealed by 2008 Acts, ch 1074, §18. See §515.11A.

515.63 Annual statement.

The president or the vice president and secretary of each company organized or authorized to do business in the state shall annually on or before the first day of March of each year prepare under oath and file with the commissioner of insurance or a depository designated by the commissioner a full, true, and complete statement of the condition of such company on the last day of the preceding year, which shall exhibit the following items and facts:

1. The amount of capital stock of the company.
2. The names of the officers.
3. The name of the company and where located.
4. The amount of its capital stock paid up.
5. The property or assets held by the company, specifying:
 - a. The value of real estate owned by the company.
 - b. The amount of cash on hand and deposited in banks to the credit of the company, and in what bank deposited.
 - c. The amount of cash in the hands of agents and in the course of transmission.
 - d. The amount of loans secured by first mortgage on real estate, with the rate of interest thereon.
 - e. The amount of all other bonds and loans and how secured, with the rate of interest thereon.
 - f. The amount due the company on which judgment has been obtained.
 - g. The amount of bonds of the state, of the United States, of any county or municipal corporation of the state, and of any other bonds owned by the company, specifying the amount and number thereof, and par and market value of each kind.
 - h. The amount of bonds, stock, and other evidences of indebtedness held by such company as collateral security for loans, with amount loaned on each kind, and its par and market value.
 - i. The amount of assessments on stock and premium notes, paid and unpaid.
 - j. The amount of interest actually due and unpaid.
 - k. All other securities and their value.
 - l. The amount for which premium notes have been given on which policies have been issued.
6. Liabilities of such company, specifying:
 - a. Losses adjusted and due.
 - b. Losses adjusted and not due.
 - c. Losses unadjusted.
 - d. Losses in suspense and the cause thereof.
 - e. Losses resisted and in litigation.
 - f. Dividends in scrip or cash, specifying the amount of each, declared but not due.
 - g. Dividends declared and due.
 - h. The amount required to reinsure all outstanding risks on the basis of the unearned premium reserve as required by law.

- i. The amount due banks or other creditors.
- j. The amount of money borrowed and the security therefor.
- k. All other claims against the company.
- 7. The income of the company during the previous year, specifying:
 - a. The amount received for premiums, exclusive of premium notes.
 - b. The amount of premium notes received.
 - c. The amount received for interest.
 - d. The amount received for assessments or calls on stock notes, or premium notes.
 - e. The amount received from all other sources.
- 8. The expenditures during the preceding year, specifying:
 - a. The amount of losses paid during said term, stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which such losses were estimated in such statement.
 - b. The amount paid for dividends.
 - c. The amount paid for commissions, salaries, expenses, and other charges of agents, clerks, and other employees.
 - d. The amount paid for salaries, fees, and other charges of officers and directors.
 - e. The amount paid for local, state, national and other taxes and duties.
 - f. The amount paid for all other expenses, including printing, stationery, rents, furniture, or otherwise.
- 9. The largest amount insured in any one risk.
- 10. The amount of risks written during the year then ending.
- 11. The amount of risks in force having less than one year to run.
- 12. The amount of risks in force having more than one and not over three years to run.
- 13. The amount of risks having more than three years to run.
- 14. The dividends, if any, declared on premiums received for risks not terminated.
- 15. All other information as required by the national association of insurance commissioners' annual statement blank. The annual statement blank shall be prepared in accordance with instructions prescribed by the commissioner. All financial information reflected in the annual report shall be kept and prepared in accordance with accounting practices and procedures prescribed by the commissioner. The commissioner may adopt by reference the annual statement handbook and the accounting practices and procedures manual of the national association of insurance commissioners.

[C73, §1141; C97, §1714; C24, 27, 31, 35, 39, §8945; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.63]

[91 Acts, ch 26, §41](#); [2003 Acts, ch 91, §35](#); [2016 Acts, ch 1011, §97](#)

Referred to in [§515.146](#), [515H.2](#)

515.64 Accident insurance — record. Repealed by 2008 Acts, ch 1074, §18.

515.65 Reserved.

515.66 Annual statement of foreign company.

The annual statement of foreign companies doing business in this state shall also show, in addition to the foregoing matters, the amount of losses incurred and premiums received in the state during the preceding period, so long as such company continues to do business in this state.

[C73, §1146; C97, §1716; C24, 27, 31, 35, 39, §8948; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.66]

515.67 Inquiry by commissioner. Repealed by 2007 Acts, ch 152, §84.

515.68 Changes in forms of statements.

The commissioner may from time to time make changes in the forms of statements required by [this chapter](#) which seem to the commissioner best adapted to elicit from the companies a true exhibit of their condition in respect to the several points enumerated in [this chapter](#).

[C73, §1157; C97, §1719; C24, 27, 31, 35, 39, §8950; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.68]

[85 Acts, ch 228, §7](#)

515.68A Foreign companies — reinsurance.

A foreign company authorized to do business in this state shall not assumptively reinsure a block of business which includes policyholders residing in this state to a company not authorized to do business in this state without the prior written approval of the commissioner.

[97 Acts, ch 186, §12](#)

515.69 Foreign companies — capital and surplus required.

1. A stock insurance company organized under or by the laws of any other state or foreign government for the purpose specified in [this chapter](#), shall not, directly or indirectly, take risks or transact business of insurance in this state unless the company possesses the actual amount of capital and surplus required of any company organized pursuant to [this chapter](#), or if the company is a mutual insurance company, the actual amount of surplus required of any mutual insurance company organized pursuant to [this chapter](#), exclusive of assets deposited in a state, territory, district, or country for the special benefit or security of those insured in that state, territory, district, or country.

2. Notwithstanding [subsection 1](#), a stock insurance company authorized to transact business under [this section](#) shall comply with the minimum capital and surplus requirements of [this section](#) or [chapter 521E](#), whichever is greater.

[C73, §1144; C97, §1721; SS15, §1721; C24, 27, 31, 35, 39, §8951; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.69]

[92 Acts, ch 1162, §36; 96 Acts, ch 1046, §5; 2013 Acts, ch 124, §18](#)

Referred to in [§515.143](#)

515.70 Alien insurer defined.

1. An “alien insurer” is hereby defined to mean an insurance company incorporated or organized under the laws of any country other than the United States.

2. An alien insurer, with the approval of the commissioner, may be treated as a domestic insurer of this state in whole or in part. The approval of the commissioner may be based upon such factors as:

a. Maintenance of an appropriate trust account, surplus account, or other financial mechanism in this state.

b. Maintenance of all books and records of United States operations in this state.

c. Maintenance of a separate financial reporting system for its United States operations.

d. Any other provisions deemed necessary by the commissioner.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.70]

[90 Acts, ch 1234, §37; 2012 Acts, ch 1023, §157](#)

515.71 Deposit of securities — amount.

1. Every alien insurer authorized to transact business in this state shall at all times maintain a deposit with the commissioner of insurance in cash or in securities in which insurance companies are authorized to invest, of a sum equal to the greater of the reserve on all policies covering risks located in this state or one million dollars. The securities shall be approved, and the amount of the deposit shall be determined, by the commissioner. The commissioner, in the commissioner’s discretion, may permit the withdrawal of interest earnings.

2. In lieu of the deposit provided in [this section](#), an alien insurer may file with the commissioner a bond of equal amount executed by a licensed United States surety company, so conditioned for the protection of Iowa creditors and policyholders.

3. An alien insurer shall not be granted a certificate of authority to transact business in this state, or a renewal of the certificate, until such deposit is made, and the commissioner may revoke the certificate of authority of an alien insurer which fails to make the deposit within a reasonable period of time.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.71]

[92 Acts, ch 1162, §37](#); [2000 Acts, ch 1023, §29, 60](#); [2018 Acts, ch 1041, §127](#)

Code editor directive applied

515.72 Insolvency of company — procedure.

In the event of insolvency or receivership of any such alien insurer the title to the cash or securities so deposited shall vest in the commissioner of insurance for the use and benefit of the policies issued by said insurer and outstanding in this state, and in such event the commissioner shall be appointed receiver of said insurer by the district court, in and for Polk county, with the right, subject to the court's approval, to reinsure said policies in some insurance company or association authorized to do business in this state, or to liquidate said deposit for the sole benefit of the policies for which said deposit was made.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.72]

515.73 Additional statements — impaired capital.

Any company desiring to transact the business of insurance under [this chapter](#) shall also file with the commissioner a certified copy of its charter or deed of settlement, together with a statement under oath of the president or vice president or other chief officer and the secretary of the company for which they may act, stating the name of the company, the place where located, the amount of its capital, with a detailed statement of the facts and items required from companies organized under the laws of this state, and a copy of the last annual report, if any, made under any law of the state by which such company was incorporated; and no agent shall be allowed to transact business for any company whose capital is impaired by liabilities as specified in [this chapter](#) to the extent of twenty percent thereof, while such deficiency shall continue.

[C73, §1144; C97, §1722; C24, 27, 31, 35, 39, §8954; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.75]

[2007 Acts, ch 152, §6](#)

CS2007, §515.73

[2008 Acts, ch 1074, §5](#)

515.74 Foreign mutual companies — surplus.

1. Any mutual insurance company organized outside of this state and authorized to transact the business of insurance on the mutual plan in any other state of the United States or in the District of Columbia, may be admitted to this state and authorized to transact herein any of the kinds of insurance authorized by its charter or articles of incorporation, when so permitted by the provisions of [this chapter](#), with the powers and privileges and subject to the conditions and limitations specified in said chapter; provided, however, such company has complied with all the statutory provisions which require stock companies to file papers and to furnish information and to submit to examination, and is also solvent according to the requirements of [this chapter](#) and is possessed of a surplus safely invested as follows:

a. In case of a mutual company issuing policies for a cash premium without an additional contingent liability equal to or greater than the cash premium, the surplus shall be at least two million dollars.

b. In case of any other such mutual company issuing policies for a cash premium or payment with an additional contingent liability equal to or greater than the cash premium or payment, the surplus shall be such an amount as the commissioner of insurance of Iowa may require, but in no case less than three hundred thousand dollars, provided that the provisions of [this section](#) fixing a minimum surplus of three hundred thousand dollars shall not apply to companies now admitted to do business in Iowa; provided, further, that no such mutual company shall be authorized to transact compensation insurance without a surplus of at least three hundred thousand dollars unless all liability for each adjusted claim in this

state, the payment of any part of which is deferred for more than one year, shall be provided for by a special deposit, in a trust company or a bank having fiduciary powers, located in this state, which shall be a trust fund applicable solely and exclusively to the payment of the compensation benefits for which such deposit is made, or shall be reinsured in an authorized stock company, or in an authorized mutual company with a surplus of at least three hundred thousand dollars.

2. Notwithstanding [subsection 1](#), a mutual insurance company authorized to transact business under [this section](#) shall comply with the minimum surplus requirements of [this section](#) or [chapter 521E](#), whichever is greater.

[C73, §1144; C97, §1723; C24, 27, 31, 35, 39, §8955; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.76]

[96 Acts, ch 1046, §6](#); [2007 Acts, ch 152, §7](#)
CS2007, §515.74

515.75 Certificate to foreign company.

When a foreign company has fully complied with the requirements of law and become entitled to do business, the commissioner of insurance shall issue to the company a certificate of that fact, which certificate shall be renewed annually on the first day of June, if the commissioner is satisfied that the capital, securities, and investments of the company remain unimpaired, and the company has complied with the provisions of law applicable to the company. However, the commissioner shall not grant or continue authority to transact insurance in this state to an insurer the management of which is found by the commissioner, after a hearing is provided, in which the commissioner shall establish and consider any prior criminal records or any other matters, to be untrustworthy or so lacking in insurance experience as to make the proposed operation hazardous to the insurance-buying public; or which, after a hearing is provided, the commissioner has good reason to believe is affiliated directly or indirectly through ownership, control, reinsurance transactions, or other insurance or business relations, with a person whose business operations are or have been marked, to the detriment of policyholders or stockholders or investors or creditors or of the public, by manipulation or dissipation of assets, or manipulation of accounts, or of reinsurance, or by similar injurious actions.

[C73, §1146; C97, §1724; C24, 27, 31, 35, 39, §8956; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.77]

[91 Acts, ch 213, §27](#); [2007 Acts, ch 152, §8](#)
CS2007, §515.75

515.76 Commissioner as process agent.

Any company desiring to transact the business of insurance under [this chapter](#) shall file with the commissioner of insurance a power of attorney and a signed written instrument authorizing the commissioner to accept service of notice or process on behalf of such company that shall be as valid as if served upon the company according to the laws of this or any other state, and waiving all claim or right of error due to the filing of the power of attorney and the agreement regarding service of notice or process.

[C73, §1144; C97, §1722; C24, 27, 31, 35, 39, §8952; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.73]

[2003 Acts, ch 91, §36](#); [2007 Acts, ch 152, §4](#)
CS2007, §515.76

515.77 Service of process.

Any notice or service of process made on the commissioner as agent for service of process shall be made as provided in [section 505.30](#).

[C97, §1722; C24, 27, 31, 35, 39, §8953; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.74]

[92 Acts, ch 1162, §38](#); [99 Acts, ch 165, §14](#); [2007 Acts, ch 152, §5](#)
CS2007, §515.77

[2018 Acts, ch 1018, §8](#)
Section amended

515.78 Foreign companies may become domestic.

1. An insurer which is organized under the laws of any state and has created or will create jobs in this state or which is an affiliate or subsidiary of a domestic insurer, and is admitted to do business in this state for the purpose of writing insurance authorized by [this chapter](#) may become a domestic insurer by complying with [section 490.902](#) or [491.33](#) and with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating its principal place of business in this state may become a domestic corporation and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

2. The certificates of authority, agent's appointments and licenses, rates, and other items which are in existence at the time any insurer transfers its corporate domicile to this state, pursuant to [this section](#), shall continue in full force and effect upon such transfer. For purposes of existing authorizations and all other corporate purposes, the insurer is deemed the same entity as it was prior to the transfer of its domicile. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to any new name of the company or its new location unless so ordered by the commissioner of insurance.

[[81 Acts, ch 161, §2](#)]

C83, §515.99

[89 Acts, ch 288, §193](#); [2007 Acts, ch 152, §25](#)

CS2007, §515.78

[2011 Acts, ch 66, §2](#)

515.79 Notes taken for insurance. Repealed by [2007 Acts, ch 152, §84](#).

515.80 through 515.90 Reserved.

515.91 False statement of assets. Repealed by [2007 Acts, ch 152, §84](#). See §507B.4.

515.92 Statement of capital and surplus. Repealed by [2007 Acts, ch 152, §84](#). See §507B.4.

515.93 Violations. Repealed by [2007 Acts, ch 152, §84](#).

515.94 through 515.99 Reserved.

SUBCHAPTER V

POLICY PROVISIONS AND RATES

515.100 Nature of organization entered on policy.

Every domestic and foreign insurance company organized and doing business under [this chapter](#) shall indicate upon the first page of every policy and renewal receipt that the policy is issued by a mutual company in case of a mutual company, and by a stock company in case of a stock company.

[[C73, §1140](#); [C97, §1689](#); [S13, §1689](#); [C24, 27, 31, 35, 39, §8901](#); [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.6](#)]

[2007 Acts, ch 152, §1](#)

CS2007, §515.100

515.101 Conditions and stipulations invalidating policy — avoidance — pleadings — applicability.

1. Any condition or stipulation in an application, policy, or contract of insurance making the policy void before the loss occurs shall not prevent recovery on the policy by the insured,

if the plaintiff shows that the failure to observe such provision or the violation thereof did not contribute to the loss.

2. Any such condition or stipulation in an application, policy, or contract of insurance that refers to any of the following shall not be changed or affected by the provisions of [subsection 1](#):

- a. Any other insurance, valid or invalid.
- b. Vacancy of the insured premises.
- c. The title or ownership of the property insured.
- d. Liens or encumbrances on the property insured created by the voluntary act of the insured and within the insured's control.
- e. Suspension or forfeiture of the policy during default or failure to pay any written obligation given to the insurance company for the premium.
- f. The assignment or transfer of such policy of insurance before the loss occurs without the consent of the insurance company.
- g. The removal of the property insured.
- h. A change in the occupancy or use of the property insured, if such change or use makes the risk more hazardous.
- i. Fraud, concealment, or misrepresentation of an insured.

3. [Subsections 1 and 2](#) shall not be construed to change limitations or restrictions related to the pleading or proving of any defense by any insurance company to which the company is subject by law.

4. The provisions of [subsections 1, 2, and 3](#) apply to all contracts of insurance on real and personal property.

[C97, §1743; S13, §1743; C24, 27, 31, 35, 39, §8980; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.101]

[2007 Acts, ch 152, §64; 2009 Acts, ch 145, §23](#)

515.102 Forms of policies and endorsements — approval.

1. The form of all policies, and of applications, and of agreements or endorsements modifying the provisions of policies, and of all permits and riders used generally throughout the state, that are issued or proposed to be issued by any insurance company doing business in this state under the provisions of [this chapter](#), shall first be examined and approved by the commissioner of insurance.

2. The commissioner, upon a determination that the examination required under [subsection 1](#) is unnecessary to achieve the purpose of [this section](#), may exempt either of the following:

- a. Any specified person by order, or any class of persons by rule.
- b. Any specified risk by order, or any line or kind of insurance, or subdivision of insurance, or any class of risk or combination of classes of risks by rule.

3. Forms of policies issued or proposed to be issued shall provide for the cancellation of the policy at the request of the insured upon equitable terms, and the return to the insured of any premium paid in excess of the customary short rates for the insurance up to the time of cancellation, or the release of the insured from any liability beyond such short rates, or for losses after the cancellation of the policy if the insurance is issued or proposed to be issued by a mutual company.

[2007 Acts, ch 152, §65](#)

Referred to in [§515.109](#)

515.103 Use of credit information — personal insurance.

1. *Definitions.* As used in [this section](#) unless the context otherwise requires:

a. “*Adverse action*” means a denial of issuance, cancellation, or refusal to renew, an increase in any charge for, or a reduction or other unfavorable change in the terms of coverage or amount of any personal insurance existing or applied for, or in connection with the underwriting of personal insurance.

b. “*Affiliate*” means any company that controls, is controlled by, or is under common control with another company.

c. “*Applicant*” means an individual who has applied to be covered by a personal insurance policy with an insurer.

d. “*Consumer*” means an insured whose credit information is used or whose insurance score is calculated in the underwriting or rating of a personal insurance policy or an applicant for such a personal insurance policy.

e. “*Consumer reporting agency*” means any person that, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information concerning consumers for the purpose of furnishing consumer credit reports to third parties.

f. “*Credit information*” means any information related to credit that is contained in or derived from a credit report, or provided in an application for personal insurance. Information that is not related to credit shall not be considered “credit information” regardless of whether the information is contained in or derived from a credit report or an application for credit or is used to calculate an insurance score.

g. “*Credit report*” means any written, oral, or other communication of information by a consumer reporting agency that relates to a consumer’s creditworthiness, credit standing, or credit capacity and that is used or expected to be used or is collected, in whole or in part, for the purpose of serving as a factor in determining personal insurance premiums, eligibility for personal insurance coverage, or tier placement.

h. “*Insurance score*” means a number or rating that is derived from an algorithm, computer application, model, or other process that is based in whole or in part on credit information for the purposes of predicting the future insurance loss exposure of a consumer.

i. “*Insured*” means an individual who is covered by a personal insurance policy.

j. “*Personal insurance*” means personal insurance and not commercial insurance and is limited to private passenger automobile, homeowners, farm owners, personal farm liability, motorcycle, mobile home owners, noncommercial dwelling fire, boat, personal watercraft, snowmobile, and recreational vehicle insurance policies, that are individually underwritten for personal, family, farm, or household use. No other type of insurance is included as personal insurance for the purposes of [this section](#).

2. *Use of credit information.* An insurer authorized to do business in Iowa that uses credit information to underwrite or rate risks for a policy of personal insurance shall not do any of the following:

a. Use an insurance score that is calculated using income, gender, address, zip code, ethnic group, religion, marital status, race, or nationality of a consumer as a factor.

b. Deny issuance, cancel, or refuse to renew a policy of personal insurance solely on the basis of credit information, without consideration of any other applicable underwriting factors independent of credit information that are not otherwise prohibited under paragraph “a”.

c. Base a consumer’s renewal rates for personal insurance solely on the basis of credit information, without consideration of any other applicable underwriting factors independent of credit information that are not otherwise prohibited under paragraph “a”.

d. Take adverse action against a consumer solely because the consumer does not have a credit card account, without consideration of any other applicable underwriting factors independent of credit information that are not otherwise prohibited under paragraph “a”.

e. Consider an absence of credit information or an inability to calculate an insurance score in underwriting or rating personal insurance unless the insurer does one of the following:

(1) Treats the consumer as if the consumer has neutral credit information, as defined by the insurer.

(2) Excludes the use of credit information as an underwriting factor and only uses other underwriting criteria.

f. Take adverse action against a consumer based on credit information, unless the insurer obtains and uses a credit report issued or an insurance score calculated within ninety days before the date a personal insurance policy is first written or a renewal is issued.

g. Use credit information unless not later than every thirty-six months following the last time that the insurer obtained current credit information for the insured, the insurer

recalculates the insurance score or obtains an updated credit report for the insured. Regardless of the requirements of this paragraph:

(1) At annual renewal, upon the request of the consumer or the consumer's agent, the insurer shall re-underwrite and re-rate the personal insurance policy based upon a current credit report or insurance score. An insurer is not required to recalculate an insurance score or obtain a current credit report more than once in a twelve-month period.

(2) The insurer shall have the discretion to obtain current credit information for a consumer more frequently than every thirty-six months, if consistent with the insurer's underwriting guidelines.

(3) Notwithstanding subparagraph (1), an insurer is not required to obtain current credit information for a consumer if any of the following applies:

(a) The insurer is treating the consumer as otherwise approved by the commissioner of insurance.

(b) The consumer is in the most favorably priced tier of the insurer, within a group of affiliated insurers. However, the insurer shall have the discretion to obtain current credit information, if consistent with the insurer's underwriting guidelines.

(c) Credit information was not used for underwriting or rating the insured when the personal insurance policy was initially written. However, the insurer shall have the discretion to use current credit information for underwriting or rating the insured upon renewal of the policy, if consistent with the insurer's underwriting guidelines.

(d) The insurer reevaluates the insured beginning no later than thirty-six months after the personal insurance policy was initially written and thereafter, based on other underwriting or rating factors, excluding credit information.

h. Use any of the following as a negative factor in any insurance scoring methodology or in reviewing credit information for the purpose of underwriting or rating a personal insurance policy:

(1) Credit inquiries not initiated by the consumer or inquiries requested by the consumer for the consumer's own credit information.

(2) Inquiries relating to insurance coverage, if so identified on a consumer's credit report.

(3) Collection accounts with a medical industry code, if so identified on a consumer's credit report.

(4) Multiple lender inquiries, if coded by a consumer reporting agency on the consumer's credit report as being from the home mortgage industry and made within thirty days of one another, unless only one inquiry is considered.

(5) Multiple lender inquiries, if coded by a consumer reporting agency on the consumer's credit report as being from the automobile lending industry and made within thirty days of one another, unless only one inquiry is considered.

3. *Dispute resolution and error correction.* If it is determined through the dispute resolution process set forth under the federal Fair Credit Reporting Act, 15 U.S.C. §1681i(a)(5), that the credit information of a current insured is incorrect or incomplete and the insurer receives notice of such determination from either the consumer reporting agency or from the insured, the insurer shall re-underwrite and re-rate the insured within thirty days of receiving the notice. After re-underwriting or re-rating the insured, the insurer shall make any adjustments necessary, consistent with the insurer's underwriting and rating guidelines. If an insurer determines that an insured has overpaid the premium on a personal insurance policy, the insurer shall refund the amount of the overpayment to the insured, calculated for either the last twelve months of coverage or the actual policy period, whichever is shorter.

4. *Initial notification.*

a. If an insurer writing personal insurance uses credit information in underwriting or rating a consumer, the insurer or the insurer's agent shall disclose, either on the insurance application or at the time that the insurance application is taken, that the insurer may obtain credit information of the consumer in connection with the application. Such disclosure to a consumer shall either be written or provided in the same medium as the application for insurance. An insurer is not required to provide the disclosure statement required under [this subsection](#) to a consumer in connection with the renewal of a personal insurance policy if the consumer has previously been provided with such a disclosure statement.

b. An insurer that uses the following statement of disclosure shall be deemed to be in compliance with [this subsection](#):

In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score.

5. *Notification of adverse action.* If an insurer takes adverse action against a consumer based on credit information, the insurer shall do all of the following:

a. Provide notification to the consumer that adverse action has been taken, in accordance with the requirements of the federal Fair Credit Reporting Act, 15 U.S.C. §1681m(a).

b. Provide notification to the consumer explaining the reasons for the adverse action taken. Such notice shall give reasons for the adverse action taken in language that is sufficiently clear and specific so that a person can identify the basis for the insurer's decision to take adverse action. Such notification shall include a description of up to four factors that were the primary influences for the adverse action taken. The use of generalized terms such as "poor credit history", "poor credit rating", or "poor insurance score" does not meet the explanation requirements of this paragraph. Standardized credit explanations that are provided by consumer reporting agencies or other third-party vendors are deemed to comply with this paragraph.

6. *Extraordinary life circumstances.*

a. An insurer authorized to do business in Iowa that uses credit information to underwrite or rate risks for a policy of personal insurance shall, on written request from a consumer, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by any of the following events:

- (1) Catastrophic event, as declared by the federal or a state government.
- (2) Serious illness or injury, or serious illness or injury to an immediate family member.
- (3) Death of a spouse, child, or parent.
- (4) Divorce or involuntary interruption of legally owed alimony or support payments.
- (5) Identity theft.
- (6) Temporary loss of employment for a period of three months or more, if such loss results from involuntary termination of employment.
- (7) Military deployment overseas.
- (8) Other events, as determined by the insurer.

b. If a consumer submits a request for an exception as set forth in paragraph "a", an insurer may, in its sole discretion, but is not required to, do any of the following:

- (1) Require the consumer to provide reasonable written and independently verifiable documentation of the event.
- (2) Require the consumer to demonstrate that the event had direct and meaningful impact on the consumer's credit information.
- (3) Require such request to be made no more than sixty days from the date of the application for insurance or the policy renewal.
- (4) Grant an exception despite the fact that the consumer did not provide the initial request for an exception in writing.
- (5) Grant an exception where the consumer asks for consideration of repeated events or the insurer has considered this event previously.

c. An insurer is not out of compliance with any law or rules relating to underwriting, rating, or rate-filing as a result of granting an exception under [this subsection](#). Nothing in [this subsection](#) shall be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of [this subsection](#).

d. An insurer shall provide notice to consumers that reasonable exceptions are available pursuant to [this subsection](#) and information about how the consumer may inquire further about such exceptions.

e. Within thirty days of the insurer's receipt of sufficient documentation of an event

described in paragraph “a” from a consumer, the insurer shall inform the consumer of the outcome of the consumer’s request for a reasonable exception. Such communication shall be in writing or provided to a consumer using the same medium as the request.

7. *Information filed with the commissioner of insurance.*

a. An insurer that uses insurance scores to underwrite and rate risks for personal insurance shall file the insurer’s scoring models or other scoring processes with the commissioner of insurance. A third party may file scoring models on behalf of an insurer. Information filed with the commissioner that includes insurance scoring models may include information including loss experience that justifies the insurer’s use of credit information.

b. Information filed with the commissioner of insurance pursuant to [this subsection](#) shall be considered a confidential record and be recognized and protected as a trade secret pursuant to [section 22.7, subsection 3](#).

8. *Indemnification.* An insurer shall indemnify, defend, and hold harmless agents or producers of the insurer from and against all liability, fees, and costs, arising out of or relating to the actions, errors, or omissions of an agent or producer who obtains or uses credit information or insurance scores on behalf of an insurer, provided that the agent or producer follows the instructions or procedures established by the insurer and complies with any applicable law or regulation. [This subsection](#) shall not be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of [this subsection](#).

9. *Consumer reporting agency — sale of credit information.*

a. A consumer reporting agency shall not provide or sell data or lists that include any information that was submitted, in whole or in part, in conjunction with an insurance inquiry about a consumer’s credit information or a request for a credit report or insurance score. Such information includes, but is not limited to, the expiration dates of an insurance policy or any other information that can be used to identify the expiration date of a consumer’s insurance policy or the terms and conditions of the consumer’s insurance coverage.

b. [This subsection](#) does not apply to the provision of information, including data or lists, by a consumer reporting agency to the agent or producer from whom the information was received, to the insurer on whose behalf the agent or producer acted, or to the insurer’s affiliates or holding companies.

c. [This subsection](#) shall not be construed to restrict an insurer from obtaining a claims history report or a motor vehicle report of a consumer.

10. *Severability.* If any subsection, paragraph, sentence, clause, phrase, or any other part of [this section](#) is declared invalid due to an interpretation of or a future change in the federal Fair Credit Reporting Act, the remaining subsections, paragraphs, sentences, clauses, phrases, or parts thereof shall be in no manner affected thereby but shall remain in full force and effect.

[2004 Acts, ch 1039, §1; 2004 Acts, ch 1175, §341](#)

[C2005, §515.109A](#)

[2005 Acts, ch 3, §83, 84; 2007 Acts, ch 152, §28](#)

[CS2007, §515.103](#)

[2010 Acts, ch 1056, §1, 2; 2015 Acts, ch 30, §165](#)

515.104 Coinsurance or contribution clause.

Contracts of insurance against loss or damage by fire or other perils may contain a coinsurance or contribution clause or clause having similar effect, provided the form setting up the terms of the same has been approved by the commissioner of insurance.

[C97, §1746; S13, §1746; C24, 27, 31, 35, 39, §8990 – 8995, 8997; C46, 50, 54, §515.111 – 515.116, 515.118; C58, 62, 66, 71, 73, 75, 77, 79, 81, §515.111]

[2007 Acts, ch 152, §29](#)

[CS2007, §515.104](#)

515.105 Agency relationship.

Any officer, insurance producer, or representative of an insurance company doing business in this state who may solicit insurance, procure applications, issue policies, adjust losses, or transact the business generally of such companies, shall be held to be the agent of such

insurance company with authority to transact all business within the scope of the agency relationship, anything in the application, policy, contract, bylaws, or articles of incorporation of such company to the contrary notwithstanding.

[C97, §1750; C24, 27, 31, 35, 39, §9004; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.125]

2001 Acts, ch 16, §9, 37; 2007 Acts, ch 152, §33

CS2007, §515.105

Referred to in §511.4

Applicable to life companies, §511.4

515.106 Limitation on termination of independent producers.

An insurance company organized under [this chapter](#) or authorized to do business in this state shall not terminate a contract of an insurance producer who is an independent contractor but who is not an exclusive insurance producer as defined in [section 522B.1](#) without at least one hundred eighty days' notice, except for loss of license, fraud, nonpayment of company premiums that are due and not in dispute by the producer, or the withdrawal of operations in the state by the insurance company. [This section](#) does not apply to insurance producers or a business entity whose contract with an insurer authorized to do business in this state contains a written provision expressly reserving to the insurer all right, title, and interest to the ownership or the use of insurance business written by such an insurance producer or business entity.

2002 Acts, ch 1111, §19

C2003, §515.125A

2007 Acts, ch 152, §34

CS2007, §515.106

515.107 Applicability to organizations and individuals. Repealed by 2008 Acts, ch 1074, §19. See §515.1.

515.108 Insurance in unauthorized companies.

No action shall be maintained in any court in the state upon any policy or contract of fire insurance issued upon any property situated in the state by any company, association, partnership, individual, or individuals that have not been authorized by the commissioner of insurance to transact such insurance business, unless it shall be shown that the insurer or insured, within six months after the issuing of such policy or contract of insurance, has paid into the state treasury two percent of the gross premium paid or agreed to be paid for such policy or contract of insurance.

[C97, §1758; C24, 27, 31, 35, 39, §9016; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.137]

2007 Acts, ch 152, §43

CS2007, §515.108

515.109 Fire insurance contract — standard policy provisions — permissible variations.

1. The printed form of a policy of fire insurance as set forth in [subsection 6](#) shall be known and designated as the “standard policy” to be used in the state of Iowa.

2. *Standard policy, additions, riders, and clauses.*

a. It shall be unlawful for any insurance company to issue any policy of fire insurance upon any property in this state except upon automobiles, airplanes, seaplanes, dirigibles, or other aircraft, farm crops until stored, marine and inland marine risks other or different from the standard form of fire insurance policy herein set forth.

b. There shall be printed at the head of said policy the name of the insurer or insurers issuing the policy; the location of the home office thereof; a statement whether said insurer or insurers are stock or mutual corporations or are reciprocal insurers; and subject to the approval of the commissioner of insurance, there may be added thereto such device or devices as the insurer or insurers issuing said policy shall desire. Provided, however, that any company organized under special charter provisions may so indicate upon its policy, and may add a statement of the plan under which it operates in this state.

c. The standard policy provided for herein need not be used for effecting reinsurance between insurers.

d. If the policy is issued by a mutual, cooperative, or reciprocal insurer having special regulations with respect to the payment by the policyholder of assessments, such regulations shall be printed upon the policy, and any such insurer may print upon the policy such regulations as may be required by its home state or appropriate to its form of organization.

3. Binders or other contracts for temporary insurance may be made and shall be deemed to include all the terms of such standard policy and all such applicable endorsements as may be designated in such contract of temporary insurance; except that the cancellation clause of such standard policy, and the clause thereof specifying the hour of the day at which the insurance shall commence, may be superseded by the express terms of such contract of temporary insurance.

4. Two or more insurers authorized to do in this state the business of fire insurance, may, with the approval of the commissioner of insurance, issue a combination standard form of policy which shall contain the following:

a. A provision substantially to the effect that the insurers executing such policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of such insurance under such policy.

b. A provision substantially to the effect that service of process, or of any notice or proof of loss required by such policy, upon any of the insurers executing such policy, shall be deemed to be service upon all such insurers.

5. Appropriate forms of other contracts or endorsements, insuring against one or more of the perils incident to the ownership, use or occupancy of said property, other than fire and lightning, which the insurer is empowered to assume, may be used in connection with the standard policy. Such forms of other contracts or endorsements attached or printed thereon may contain provisions and stipulations inconsistent with the standard policy if applicable only to such other perils. The pages of the standard policy may be renumbered and rearranged to provide space for the listing of rates and premiums for coverages insured thereunder or under endorsements attached or printed thereon, and such other data as may be included for duplication on daily reports for office records. An insurer may issue a policy, either on an unspecified basis as to coverage or for an indivisible premium, which contains coverage against the peril of fire and substantial coverage against other perils, if such policy includes provisions with respect to the peril of fire which are the substantial equivalent of the minimum provisions of such standard policy, provided further the policy is complete as to all its terms of coverage without reference to any other document and is approved in accordance with [section 515.102, subsections 1 and 2](#).

6. a. The form of the standard policy (with permission to substitute for the word "company" a more accurate descriptive term for the type of insurer) shall be as follows:

FIRST PAGE OF STANDARD FIRE POLICY

No.

(Space for insertion of name of company or companies issuing the policy and other matter permitted to be stated at the head of the policy.)

(Space for listing amounts of insurance, rates and premiums for the basic coverages insured under the standard form of policy and for additional coverages or perils insured under endorsements attached.)

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO AND OF DOLLARS PREMIUM this company, for the term of from the day of (month), (year), to the day of (month), (year), at noon, Standard Time, at location of property involved, to an amount not exceeding

..... Dollars, does insure
 and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this company. This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

IN WITNESS WHEREOF, this company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized agent of this company at

| | |
|-------------------------------------|------------|
| | |
| Secretary. | President. |
| Countersigned this | |
| day of (month), (year). | |

.....
 Agent.

SECOND PAGE OF STANDARD FIRE POLICY

Concealment — fraud. This entire policy shall be void if, whether before or after a loss, an insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of an insured therein, or in case of any fraud or false swearing by an insured relating thereto.

Uninsurable and excepted property. This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included. This company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) Enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of an insured to use all reasonable means to save and preserve the property at and after

a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this company be liable for loss by theft.

Other insurance. Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring under any of the following circumstances:

[a] While the hazard is created or increased by any means within the control or knowledge of an insured.

[b] While a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days.

[c] As a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects. Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions. The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions. No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

Cancellation of policy. This policy shall be canceled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be canceled at any time by this company by giving to the insured a five days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

Mortgagee interests and obligations. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be canceled by giving to such mortgagee a ten days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

Pro rata liability. This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case loss occurs. The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amounts of loss claimed; AND WITHIN SIXTY DAYS AFTER THE LOSS, UNLESS SUCH TIME IS EXTENDED IN WRITING BY THIS COMPANY, THE INSURED SHALL RENDER TO THIS COMPANY A PROOF OF LOSS, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: The time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal. In case the insured and this company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting the appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

Company's options. It shall be optional with this company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed

or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the receipt of the proof of loss herein required.

Abandonment. There can be no abandonment to this company of any property.

When loss payable. The amount of loss for which this company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this company and ascertainment of the loss is made either by agreement between the insured and this company expressed in writing or by the filing with this company of an award as herein provided.

Suit. No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twelve months next after inception of the loss.

Subrogation. This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

THIRD PAGE OF STANDARD FIRE POLICY
ATTACH FORM BELOW THIS LINE

FOURTH PAGE OF STANDARD FIRE POLICY
STANDARD FIRE INSURANCE POLICY

| | |
|-----------------|------------------|
| Expires | |
| Property | |
| Amount \$ | Total |
| | Premium \$ |
| Insured | |

SEE INSIDE OF POLICY FOR PERILS COVERED
NO.

(Space of approximately two (2) inches for use of Agent or Insurer.)

(Space of approximately two (2) inches for use of Agent or Insurer.)

b. It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once.

[C97, §1743, 1744, 1746; S13, §1742-a, 1743, 1744, 1746, 1758-a, 1758-b; C24, §8979, 8982, 8983, 8986, 8996, 9017, 9018; C27, 31, 35, §8979, 8982, 8983, 8986, 8996, 9017, 9018, 9021-a1; C39, §8979, 8982, 8983, 8986, 8996, 9017, 9018, 9021.1; C46, §515.99, 515.103, 515.104, 515.107, 515.117, 515.138, 515.139, 515.143; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.138]

2000 Acts, ch 1058, §56; 2005 Acts, ch 3, §85; 2005 Acts, ch 70, §19 – 21; 2007 Acts, ch 152, §44, 73

CS2007, §515.109

2012 Acts, ch 1023, §157; 2015 Acts, ch 29, §75, 76

Referred to in §515.110, 515.111, 515.112, 515.113

515.110 More favorable conditions.

Nothing contained in section 515.109 shall be so construed as to prohibit any insurance company not required by the statutes of Iowa to issue a standard form of policy, from embodying, with the approval of the commissioner of insurance, in any insurance contract

issued by it, provisions or conditions which are more favorable to the insured than those authorized in said statutes.

[C24, 27, 31, 35, 39, §8987; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.108]
[2007 Acts, ch 152, §27, 66](#)
 CS2007, §515.110

515.111 Nuclear loss or damage excluded.

Insurers issuing the standard policy pursuant to [section 515.109](#) are authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under said policy; provided, however, that nothing herein contained shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage for loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination.

[C62, 66, 71, 73, 75, 77, 79, 81, §515.139]
[2007 Acts, ch 152, §45, 74](#)
 CS2007, §515.111

515.112 Violations — status of policy.

It shall be unlawful for any insurance company, its officers or agents, or either of them, to violate any of the provisions of [section 515.109](#) by issuing, delivering, or offering to issue or deliver any policy of fire insurance on property in this state other than the standard form as provided in statute, but any policy so issued or delivered shall, nevertheless, be binding upon the company issuing or delivering the policy. The company shall, until the payment of a penalty assessed by order after hearing, be disqualified from doing any insurance business in this state.

[S13, §1758-c; C24, 27, 31, 35, 39, §9019; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.140]

[2004 Acts, ch 1110, §57; 2007 Acts, ch 152, §46, 75](#)
 CS2007, §515.112
 Referred to in [§515.113](#)

515.113 Existing statutes — waiver.

Nothing contained in [sections 515.109](#) and [515.112](#), nor any provisions or conditions in the standard form of policy provided for in [section 515.109](#), shall be deemed to repeal or in any way modify any existing statutes or to prevent any insurance company issuing such policy, from waiving any of the provisions or conditions contained therein, if the waiver of such provisions or conditions shall be in the interest of the insured.

[S13, §1758-d; C24, 27, 31, 35, 39, §9020; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.141]

[2007 Acts, ch 152, §47, 76](#)
 CS2007, §515.113

515.114 Policy — formal execution.

1. Every fire insurance company and association authorized to transact business in this state shall conduct its business in the name under which it is incorporated, and the policies issued by it shall be headed or entitled only by such name. There shall not appear on the face of the policy or on its filing back anything that would indicate that it is the obligation of any other than the company responsible for the payment of losses under the policy, though it is permissible to stamp or print on the bottom of the filing back the name or names of the department or general agency issuing the same, and the group of companies with which the company is financially affiliated.

2. Nothing contained in [subsection 1](#) shall be construed to prevent any representative of an insurance company from advertising the representative's own individual business without specific mention of the name of the company or companies which the person may represent.

[2007 Acts, ch 152, §67](#)

515.115 Certificates of insurance — penalty.

1. As used in [this section](#), unless the context otherwise requires:

a. “*Certificate of insurance*” means a document or instrument, regardless of how the document or instrument is titled or described, that is prepared or issued by an insurer or insurance producer as evidence of property and casualty insurance coverage. “*Certificate of insurance*” does not include a policy of insurance, insurance binder, policy endorsement, or automobile insurance identification or information card.

b. “*Commercial real estate transaction*” means a non-recourse commercial lending transaction in which the underlying property serves as the primary collateral securing the borrower’s repayment of the loan and the borrower or any of the borrower’s members, partners, or shareholders, or any person related to the borrower or the borrower’s members, partners, or shareholders, does not bear the economic risk of loss in the event of a payment default under the terms of the commercial lending transaction.

c. “*Insurance producer*” means a person required to be licensed pursuant to [chapter 522B](#) to sell, solicit, or negotiate property and casualty insurance.

d. “*Insurer*” means a property and casualty insurance company regulated under [this chapter](#).

e. “*Person*” means the same as defined in [section 4.1](#).

2. a. The commissioner of insurance shall prohibit the use of a certificate of insurance form if the form is either of the following:

(1) Unfair, misleading, or deceptive, or violates public policy.

(2) Violates any law, including any rule adopted by the commissioner of insurance pursuant to [chapter 17A](#).

b. A certificate of insurance is not a policy of insurance and does not affirmatively or negatively amend, extend, or alter the coverage afforded by the policy to which the certificate of insurance makes reference. A certificate of insurance shall not confer on any person new or additional rights beyond what the referenced policy of insurance expressly provides.

c. Notwithstanding any provision of [this chapter](#) to the contrary, or any language on a certificate of insurance that states that the form is for “information only”, a binder delivered together with a certificate of insurance in connection with a commercial real estate transaction shall be valid and may be relied upon by the borrower or by the borrower’s lender as evidence of insurance, including in a private civil action or an administrative proceeding, until the delivery of the insurance policy to the borrower or the cancellation of the binder pursuant to [section 515.125](#), [515.126](#), or [515.127](#).

3. a. A person shall not do any of the following:

(1) Prepare, issue, request, or require the issuance of a certificate of insurance that contains any false or misleading information concerning the policy of insurance to which the certificate of insurance makes reference.

(2) Prepare, issue, request, or require the issuance of a certificate of insurance that purports to affirmatively or negatively amend, extend, or alter the coverage provided by the policy of insurance to which the certificate of insurance makes reference.

b. A certificate of insurance shall not warrant that the policy of insurance referenced in the certificate of insurance complies with the insurance or indemnification requirements of a contract and the inclusion of a contract number or description within a certificate of insurance shall not be interpreted as warranting compliance with such requirements.

4. A person is entitled to notice of cancellation, nonrenewal, or material change concerning a policy of insurance or to any similar notice concerning a policy of insurance only if the person has such rights to notice under the terms of the policy of insurance or any endorsement to the policy of insurance. The terms and conditions of a person’s right to notice are governed by the policy of insurance or the endorsement and shall not be altered by a certificate of insurance.

5. a. The provisions of [this section](#) are applicable to all certificates of insurance issued in connection with property, operations, or risks located in this state, regardless of where the policyholder, insurer, insurance producer, or person requesting or requiring the issuance of a certificate of insurance is located.

b. A certificate of insurance or any other document or correspondence prepared, issued, requested, or required in violation of [this section](#) is null and void.

6. The commissioner of insurance may do all of the following:

a. Examine and investigate the activities of any person that the commissioner reasonably believes has been or is engaged in an act or practice prohibited under [this section](#).

b. Enforce the provisions of [this section](#), including the authority to issue orders to cease and desist, and to impose a penalty in an amount of five hundred dollars per violation to be collected in the name of the state for deposit as provided in [section 505.7](#).

c. Adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[2017 Acts, ch 51, §1 – 3](#)

Section takes effect April 12, 2017, and applies to certificates of insurance prepared, issued, requested, or required beginning ninety days after that date; 2017 Acts, ch 51, §2, 3

515.116 through 515.119 Reserved.

515.120 through 515.122 Repealed by 2012 Acts, ch 1025, §21, 22. See chapter 515I.

515.123 and 515.124 Repealed by 2001 Acts, ch 16, §36, 37.

SUBCHAPTER VI DUTIES OF INSURERS

515.125 Forfeiture of policies — notice.

1. Unless otherwise provided in [section 515.127](#), [515.128](#), [515.129](#), [515.129A](#), [515.129B](#), or [515.129C](#), a policy or contract of insurance provided for in [this chapter](#) shall not be forfeited, suspended, or canceled except by notice to the insured as provided in [this chapter](#). A notice of cancellation is not effective unless mailed or delivered by the insurer to the named insured at least thirty days before the effective date of cancellation or, where cancellation is for nonpayment of a premium, assessment, or installment provided for in the policy, or in a note or contract for the payment thereof, at least ten days prior to the date of cancellation. The notice may be made in person, or by sending by mail a letter addressed to the insured at the insured's address as given in or upon the policy, anything in the policy, application, or a separate agreement to the contrary notwithstanding.

2. An insurer shall not fail to renew a policy except by notice to the insured as provided in [this chapter](#). A notice of intention not to renew is not effective unless mailed or delivered by the insurer to the named insured at least thirty days prior to the expiration date of the policy. A notice of intention not to renew is not required if the insured is transferred from an insurer to an insurance company admitted in Iowa which is an affiliate of, as defined in [section 521A.1](#), the transferring insurer and all of the following conditions are met:

a. The transfer does not result in an interruption in coverage.

b. The rating of the affiliate from the A.M. Best company or a substitute rating service acceptable to the commissioner is the same or better than the rating of the transferring insurer.

c. The transfer results in the same or broader coverage.

d. Notice of the transfer is delivered to the insured or sent by first class mail to the insured's last known address not less than thirty days prior to the transfer. The notice required by this paragraph is not required in the event that the insured requests or consents to the transfer.

e. The notice of transfer provides the name and telephone number of the insured's insurance producer, agent, or agency, if any.

3. If the reason does not accompany the notice of cancellation or nonrenewal, the insurer shall, upon receipt of a timely request by the named insured, state in writing the reason for cancellation or nonrenewal.

[C97, §1727; C24, 27, 31, 35, 39, §8959; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.80]

87 Acts, ch 132, §3; 88 Acts, ch 1112, §404; 90 Acts, ch 1234, §38; 2002 Acts, ch 1111, §17; 2007 Acts, ch 152, §9, 58

CS2007, §515.125

2008 Acts, ch 1074, §9; 2010 Acts, ch 1121, §18; 2011 Acts, ch 70, §29; 2015 Acts, ch 128, §23, 50, 51

Referred to in §509B.5, 515.115, 515.126, 515D.7

Continuation rights and notice under group accident and health insurance, see §509B.5

See §515D.5, 515D.7

515.126 Cancellation of policy — notice to insured or mortgagee.

1. Unless otherwise provided in [section 515.127](#), [515.128](#), [515.129](#), [515.129A](#), [515.129B](#), or [515.129C](#), at any time after the maturity of a premium, assessment, or installment provided for in the policy, or a note or contract for the payment thereof, or after the suspension, forfeiture, or cancellation of a policy or contract of insurance, the insured may pay to the company the customary short rates and costs of action, if one has been commenced or judgment rendered thereon, and may, if the insured so elects, have the policy and all contracts or obligations connected with the policy, whether in judgment or otherwise, canceled, and all such policy and contracts shall be void; and in case of suspension, forfeiture, or cancellation of a policy or contract of insurance, the insured is not liable for a greater amount than the short rates earned at the date of the suspension, forfeiture, or cancellation and the costs of action provided for in [this section](#).

2. If the policy is canceled by the insurance company, the insurer may retain only the pro rata premium, and if the initial cash premium, or any part of the premium, has not been paid, the policy may be canceled by the insurance company by giving notice to the insured as provided in [section 515.125](#) and ten days' notice to the mortgagee, or other person to whom the policy is made payable, if any, without tendering any part of the premium, anything to the contrary in the policy notwithstanding.

[C97, §1728; S13, §1728; C24, 27, 31, 35, 39, §8960; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.81]

87 Acts, ch 132, §4; 88 Acts, ch 1112, §405; 90 Acts, ch 1234, §39; 2007 Acts, ch 152, §10, 59

CS2007, §515.126

2011 Acts, ch 70, §30

Referred to in §515.115

See §515D.5, 515D.7

515.127 Cancellation of commercial lines policies or contracts.

1. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, which has not been previously renewed may be canceled by the insurer if it has been in effect for less than sixty days at the time notice of cancellation is mailed or delivered.

2. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, which has been renewed or which has been in effect for more than sixty days shall not be canceled unless at least one of the following conditions occurs:

- a. Nonpayment of premium.
- b. Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or contract, when renewing the policy or contract, or in presenting a claim under the policy or contract.
- c. Actions by the insured which substantially change or increase the risk insured.
- d. Determination by the commissioner that the continuation of the policy will jeopardize the insurer's solvency or will constitute a violation of the law of this or any other state.
- e. The insured has acted in a manner which the insured knew or should have known was in violation or breach of a policy or contract term or condition.

3. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, may be canceled at any time if the insurer loses reinsurance coverage which provides coverage to the insurer for a significant portion of the underlying risk insured and if the commissioner determines that cancellation because of loss

of reinsurance coverage is justified. In determining whether a cancellation because of loss of reinsurance coverage is justified, the commissioner shall consider all of the following factors:

- a. The volatility of the premiums charged for reinsurance in the market.
- b. The number of reinsurers in the market.
- c. The variance in the premiums for reinsurance offered by the reinsurers in the market.
- d. The attempt by the insurer to obtain alternate reinsurance.
- e. Any other factors deemed necessary by the commissioner.

4. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, shall not be canceled except by notice to the insured as provided in [this subsection](#). A notice of cancellation shall include the reason for cancellation of the policy or contract. A notice of cancellation is not effective unless mailed or delivered to the named insured and a loss payee at least ten days prior to the effective date of cancellation, or if the cancellation is because of loss of reinsurance, at least thirty days prior to the effective date of cancellation. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing; however, such a certificate of mailing is not required if cancellation is for nonpayment of premium.

[88 Acts, ch 1112, §406](#)

C89, §515.81A

[93 Acts, ch 88, §17; 2007 Acts, ch 152, §11](#)

CS2007, §515.127

Referred to in [§515.115](#), [515.125](#), [515.126](#), [515.129](#)

See [§515D.5](#), [515D.7](#)

515.128 Nonrenewal of commercial lines policies or contracts.

1. An insurer shall not fail to renew a commercial line policy or contract of insurance except by notice to the named insured as provided in [this section](#).

2. A notice of nonrenewal is not effective unless mailed or delivered by the insurer to the named insured and any loss payee at least forty-five days prior to the expiration date of the policy. If the insurer fails to meet the notice requirements of [this section](#), the insured has the option of continuing the policy for the remainder of the notice period plus an additional thirty days at the premium rate of the existing policy or contract. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing.

3. [This section](#) applies to all forms of commercial property and casualty insurance written pursuant to [this chapter](#). It does not apply if the insurer has offered to renew or if the insured fails to pay a premium due or any advance premium required by the insurer for renewal. A notice of nonrenewal is not required if the insured is transferred from an insurer to an insurance company admitted in Iowa which is an affiliate of, as defined in [section 521A.1](#), the transferring insurer and all of the following conditions are met:

a. The transfer does not result in an interruption in coverage.

b. The rating of the affiliate from the A.M. Best company or a substitute rating service acceptable to the commissioner is the same or better than the rating of the transferring insurer.

c. The transfer results in the same or broader coverage.

d. Notice of the transfer is delivered to the insured or sent by first class mail to the insured's last known address not less than forty-five days prior to the transfer. The notice required by this paragraph is not required in the event that the insured requests or consents to the transfer.

e. The notice of transfer provides the name and telephone number of the insured's insurance producer, agent, or agency, if any.

[88 Acts, ch 1112, §407](#)

C89, §515.81B

[2002 Acts, ch 1111, §18; 2007 Acts, ch 152, §12](#)

CS2007, §515.128

[2013 Acts, ch 124, §19; 2015 Acts, ch 128, §24, 50, 51](#)

Referred to in [§515.125](#), [515.126](#), [515.129](#), [515D.7](#)

See [§515D.7](#)

515.128A Material changes in commercial lines policies or contracts — notice required.

1. If an insurer has an increase in the premium rates of twenty-five percent or more, an increase in the deductible of twenty-five percent or more, or a material reduction in the limits or coverage of the policy or contract, the insurer shall notify the named insured by a letter of explanation of the changes by mail at least forty-five days prior to the expiration date of the policy or contract. However, a premium charge that is assessed after the beginning date of the policy or contract period for which the premium is due shall not be deemed a premium increase for the purposes of [this section](#).

2. If the insurer fails to meet the notice requirements of [this section](#), the named insured has the option of continuing the policy or contract for the remainder of the notice period plus an additional thirty days at the premium rate of the existing policy or contract. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing.

[2013 Acts, ch 124, §20](#)

515.129 Cancellation or nonrenewal of commercial umbrella or excess policies or contracts.

1. As used in [this section](#), “*umbrella or excess insurance policy*” means a commercial line policy or contract of insurance providing liability or property coverage over one or more underlying policies or over a specified amount of self-insured retention. Umbrella or excess insurance policy includes policies or contracts written over an umbrella or excess insurance policy or policies.

2. An umbrella or excess insurance policy which has not previously been renewed may be canceled by the insurer if it has been in effect for less than sixty days at the time notice of cancellation is mailed or delivered.

3. An umbrella or excess insurance policy which has been renewed or which has been in effect for sixty or more days shall not be canceled by the insurer, except as provided in [section 515.127, subsections 2 and 3](#), unless notice has been mailed or delivered to the insured as required by [this section](#) or unless at least one of the following conditions occurs:

a. A material change in the limits, scope of coverage, or exclusions in one or more of the underlying policies.

b. Cancellation or nonrenewal of one or more of the underlying policies where the policies are not replaced without lapse.

c. A reduction in the financial rating or grade of one or more of the insurers insuring one or more of the underlying policies based on an evaluation by a recognized financial rating organization.

4. A notice of cancellation is not effective unless mailed by certified mail or delivered to the named insured and any loss payee at least ten days prior to the effective date of cancellation. A notice of cancellation shall include the reason for cancellation of the umbrella or excess insurance policy. A post office department certificate of mailing to the named insured at the address shown in the umbrella or excess policy is proof of receipt of the mailing; however, such a certificate of mailing is not required if cancellation is for nonpayment of premium.

5. An insurer shall not fail to renew an umbrella or excess insurance policy except by notice to the insured as provided in [this section](#); however, an insurer may condition renewal of an umbrella or excess insurance policy upon requirements relating to the underlying policy or policies. If the requirements are not satisfied as of the expiration date of the umbrella or excess insurance policy, or thirty days after mailing or delivery of the notice, whichever is later, the conditional renewal notice shall be deemed to be an effective notice of nonrenewal. [This subsection](#) does not apply if the insurer has offered to renew or if the insured fails to pay a premium due or any advance premium required by the insurer for renewal.

6. A notice of nonrenewal is not effective unless mailed by certified mail or delivered to the named insured and any loss payee at least forty-five days prior to the expiration date of the umbrella or excess insurance policy. If the insurer fails to meet the notice requirements of [this subsection](#) the insured has the option of continuing the policy for the remainder of the notice period plus an additional thirty days at the premium rate of the existing umbrella or excess policy.

7. [Sections 515.127](#) and [515.128](#) are not applicable to umbrella or excess insurance policies except as provided in [subsection 3](#).

[90 Acts, ch 1234, §40](#)

C91, §515.81C

[2007 Acts, ch 152, §13, 60](#)

CS2007, §515.129

[2008 Acts, ch 1074, §10](#)

Referred to in [§515.125](#), [515.126](#)

515.129A Cancellation of personal lines policies or contracts.

1. After a personal lines policy or contract of insurance has been in effect for sixty days or more, the policy or contract shall not be canceled except by notice to the insured as provided in [this chapter](#).

2. Notice of cancellation of a personal lines policy or contract of insurance is not effective unless the cancellation is based on one or more of the following reasons:

a. Nonpayment of premium.

b. Failure to pay dues or fees where payment of dues or fees is a prerequisite to obtaining or continuing insurance coverage in force.

c. Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining, continuing, or presenting a claim under the policy.

d. Actions by the insured which substantially change or increase the risk insured.

e. The insured has acted in a manner which the insured knew or should have known was in violation or breach of a term or condition of the insurance policy or contract.

f. The occurrence of a change in the risk that substantially increases a hazard insured against after insurance coverage has been issued or renewed.

[2010 Acts, ch 1121, §19](#); [2011 Acts, ch 70, §31](#)

Referred to in [§515.125](#), [515.126](#), [515D.5](#)

See [§515D.5](#)

515.129B Nonrenewal of personal lines policies or contracts.

1. An insurer shall not refuse to renew a personal lines policy or contract of insurance unless at least thirty days before the end of the policy or contract period the insurer delivers, mails, or electronically transmits to the first named insured, at the last known address of the first named insured, written notice of the insurer's intention not to renew the policy or contract upon expiration of the current policy or contract period as provided in [section 515.129C](#). Proof of such mailing, electronic transmission, or delivery to the first named insured's last known address shall be maintained by the insurer.

2. The notice of intention not to renew shall include or be accompanied by a written explanation of the insurer's specific reason or reasons for the nonrenewal.

3. The transfer of a policy between affiliates of an insurance company shall not be considered a nonrenewal.

[2010 Acts, ch 1121, §20](#)

Referred to in [§515.125](#), [515.126](#), [515D.7](#)

See [§515D.7](#)

515.129C Notice of renewal or nonrenewal of personal lines policies or contracts.

1. At least thirty days before the end of the policy or contract term, an insurer shall mail or deliver to the last known address of the first named insured a renewal policy or contract, an offer to renew the current policy or contract, or a notice of nonrenewal of the policy or contract. Information concerning the renewal policy or contract, the offer to renew the policy or contract, or the notice of nonrenewal of the policy or contract shall also be mailed, delivered, or transmitted electronically to the last known address of the producer of record of the policy or contract.

a. An offer to renew the policy or contract shall state the renewal premium and the date that the premium is due. The renewal premium shall be based on the known exposure as of the date of the offer to renew.

b. If the renewal premium is not received by the due date or the policy or contract expiration date, whichever is later, the policy or contract lapses.

2. If an insurer fails to comply with the notice requirements of [this section](#), the policy or contract shall be extended on the same terms and conditions for another policy or contract term or until the effective date of similar insurance procured by the insured, whichever is earlier. The insurer may make continued coverage contingent upon the payment of premium.

3. Renewal of a policy or contract does not constitute a waiver or estoppel with respect to grounds for cancellation that existed before the effective date of the renewal.

[2010 Acts, ch 1121, §21](#)

Referred to in [§515.125](#), [515.126](#), [515.129B](#), [515D.7](#)

See [§515D.7](#)

515.130 Short rates.

The commissioner of insurance shall prepare and promulgate tables of the short rates provided for in [section 515.132](#), for the various kinds and classes of insurance governed by the provisions of [this chapter](#), which, when promulgated, shall be for the guidance of all companies covered in [this chapter](#) and shall be the rate to be given in any notice therein required. No company shall discriminate unfairly between like assureds in the rate or rates so provided.

[C97, §1729; C24, 27, 31, 35, 39, §8961; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.82]

[2007 Acts, ch 152, §14, 61](#); [2007 Acts, ch 215, §256](#)

CS2007, §515.130

[2008 Acts, ch 1074, §11](#)

515.131 Policy restored.

At any time before cancellation of the policy for nonpayment of any premium, assessment, or installment provided for therein, or in any note or contract for the payment thereof, or after action commenced or judgment rendered thereon, the insured may pay to the insurer the full amount due, including court costs if any, and from the date of such payment, or the collection of the judgment, the policy shall revive and be in full force and effect, provided such payment is made during the term of the policy and before a loss occurs.

[C97, §1730; C24, 27, 31, 35, 39, §8962; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.83]

[2007 Acts, ch 152, §15](#)

CS2007, §515.131

515.132 Right of insured to cancel.

No provision, stipulation, or agreement to the contrary in or independent of the policy or contract of insurance shall avoid or defeat the right of any insured to pay short rates and costs of action, if any, and have the policy and all contracts connected therewith, including judgments rendered thereon, canceled.

[C97, §1730; C24, 27, 31, 35, 39, §8963; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.84]

[2007 Acts, ch 152, §16](#)

CS2007, §515.132

Referred to in [§515.130](#)

515.133 Copy of application — duty to provide.

All insurance companies or associations shall, upon the issue or renewal of any policy, provide to the insured, a true copy of any application or representation of the insured which, by the terms of such policy, is made a part of the policy, or of the contract of insurance, or referred to in the contract of insurance, or which may in any manner affect the validity of such policy.

[C97, §1741; C24, 27, 31, 35, 39, §8974; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.94]

[95 Acts, ch 185, §22](#); [2007 Acts, ch 152, §20](#)

CS2007, §515.133

Referred to in [§515.134](#)

Similar provision, §511.33

515.134 Failure to attach — effect.

The omission so to do shall not render the policy invalid, but if any company or association neglects to comply with the requirements of [section 515.133](#), the company or association

shall forever be precluded from pleading, alleging, or proving any such application or representations, or any part thereof, or falsity thereof, or any parts thereof, in any action upon the policy, and the plaintiff in any such action shall not be required, in order to recover against the company or association, either to plead or prove such application or representation, but may do so at the plaintiff's option.

[C97, §1741; C24, 27, 31, 35, 39, §8975; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.95]
[2007 Acts, ch 152, §21, 62](#)
 CS2007, §515.134
[2016 Acts, ch 1011, §98](#)
 Similar provision, §511.34

515.135 Presumption as to value. Repealed by 2011 Acts, ch 70, §48.

515.136 Value of building — liability.

An insurance company or association shall be liable for the actual cash value of the property insured at the date of the loss, unless such value exceeds the amount stated in the policy.

[C97, §1742; C24, 27, 31, 35, 39, §8977; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.97]
[2007 Acts, ch 152, §23](#)
 CS2007, §515.136
[2013 Acts, ch 124, §21](#)

515.137 Prima facie right of recovery.

In an action on such policy it shall only be necessary for the insured to prove the loss of the building insured, and that the insured has given the company or association notice in writing of such loss, accompanied by an affidavit stating the facts as to how the loss occurred, so far as they are within the insured's knowledge, and the extent of the loss.

[C97, §1742; C24, 27, 31, 35, 39, §8978; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.98]
[2007 Acts, ch 152, §24, 63](#)
 CS2007, §515.137
 Similar provisions, §511.35, 514A.3, 518A.19

515.138 Notice of loss of or damage to personal property by hail.

In case of loss or damage to growing crops by hail, notice of such loss or damage must be given to the company by the insured by mailing a certified mail letter within ten days from the time such loss or damage occurs.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.100]
[2007 Acts, ch 152, §26](#)
 CS2007, §515.138
[2008 Acts, ch 1074, §12](#)

515.139 Demolition reserve on fire and casualty claims on property.

1. An insurer shall reserve ten thousand dollars or ten percent, whichever amount is greater, of the payment for damages to the property excluding personal property on which the insurer has issued a fire and casualty insurance policy as demolition cost reserve if the following are applicable:

- a. The property is located within the corporate limits of a city.
- b. The damage to the property renders it uninhabitable or unfit for the purpose for which it was intended, without repair.
- c. Proof of loss has been submitted by the policyholder for a sum in excess of seventy-five percent of the face value of the policy covering the building or other insured structure.

2. An insurer which has received a proof of loss in excess of seventy-five percent of the face value of the policy covering a building or other insured structure, shall notify the city council of the city within which the property is located. The notice shall be made by certified mail within five working days after receipt of the proof of loss.

3. The city shall release all interest in the demolition cost reserve within one hundred eighty days after receiving notice of the existence of the demolition cost reserve unless the city

has instituted legal proceedings for the demolition of the building or other insured structure, and has notified the insurer in writing of the institution of the legal proceedings. Failure of the city to notify the insurer of the legal proceedings terminates the city's claim to any proceeds from the reserve.

4. A reserve for demolition costs is no longer required if either of the following is true:

a. The insurer has received notice from both the insured and the city council that the insured has completed repairs to the property or has completed demolition of the property in compliance with all applicable statutes and local ordinances.

b. The city has failed to notify the insurer as provided under [subsection 3](#).

5. If the city has instituted legal proceedings, undertaken emergency action, or is required to demolish the damaged property at city expense, the city shall present to the insurer costs incurred, since the date of the fire or other occurrence, including but not limited to legal costs, engineering costs, and demolition costs related directly to the enforcement of any local ordinance, and the insurer shall compensate the city for the incurred costs up to the amount in the demolition cost reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the city shall be paid to the insured if the insured is entitled to the remaining proceeds under the policy.

6. The insurer is not liable for any amount in excess of the limits of liability set out by the policy.

7. Insurers complying with [this section](#) or attempting in good faith to comply with [this section](#) shall be immune from civil and criminal liability.

[88 Acts, ch 1176, §1](#)

C89, §515.150

[89 Acts, ch 16, §1](#); [91 Acts, ch 59, §1](#); [92 Acts, ch 1163, §100](#); [2007 Acts, ch 152, §50](#)

CS2007, §515.139

SUBCHAPTER VII

VIOLATIONS — INVESTIGATIONS — FEES — PENALTIES

515.140 Unlawful combinations — exceptions.

It shall be unlawful for two or more insurance companies doing business in this state, or for the officers, agents, or employees of such companies, to make or enter into any combination or agreement relating to the rates to be charged for insurance, the amount of commissions to be allowed agents for procuring the same, or the manner of transacting the insurance business within this state, but any number of insurance companies may appoint the same person or persons, who shall be residents of the state of Iowa, as their common agent or agents for the purpose of filing, in the manner prescribed by the insurance commissioner of Iowa, the forms of policies and of all permits and riders used generally throughout the state, as required by the laws of this state to be examined and approved by the said commissioner.

[C97, §1754; C24, 27, 31, 35, 39, §9010; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.131]

[2007 Acts, ch 152, §38](#)

CS2007, §515.140

Referred to in [§515.141](#), [515.145](#), [515A.19](#)

515.141 Examination of officers and employees.

1. The commissioner of insurance is authorized to issue a subpoena for examination under oath, to any officer, agent, or employee of any company suspected of violating any of the provisions of [section 515.140](#).

2. Upon the filing of a written, verified complaint with the commissioner by two or more residents of this state alleging that a company has violated [section 515.140](#), the commissioner

shall issue a subpoena for examination under oath to any officer, agent, or employee of the company.

[C97, §1755; C24, 27, 31, 35, 39, §9012; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.133]

[2003 Acts, ch 91, §38](#); [2007 Acts, ch 152, §39, 69](#)

CS2007, §515.141

[2008 Acts, ch 1074, §13](#)

Referred to in [§515.153](#)

515.142 Transfers pending investigation.

Any transfer of the stock of any company organized under [this chapter](#), made pending any investigation, shall not release the party making the transfer from any liability for losses which may have accrued previous to such transfer.

[C73, §1151; C97, §1734; C24, 27, 31, 35, 39, §8967; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.88]

[2007 Acts, ch 152, §17](#)

CS2007, §515.142

[2008 Acts, ch 1074, §14](#)

515.143 Revocation of certificate of foreign company.

The commissioner of insurance may examine the condition and affairs of any insurance company, as provided for in [this chapter](#), doing business in this state, not organized under its laws, or cause such examination to be made by a person appointed by the commissioner having no interest in any insurance company; and if it appears to the commissioner's satisfaction that the affairs of a company are in an unsound condition or that a company has failed to maintain the capital and surplus required by [section 515.69](#), the commissioner shall revoke or suspend the certificates granted in its behalf.

[C73, §1152; C97, §1735; C24, 27, 31, 35, 39, §8968; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.89]

[91 Acts, ch 213, §28](#); [2007 Acts, ch 152, §18](#)

CS2007, §515.143

515.144 Suspension and summary suspension.

The commissioner may do one or more of the following:

1. For a violation of [Title XIII, subtitle 1](#), after a hearing provided pursuant to [chapter 17A](#), order the suspension of the license or authority to transact the business of insurance within the state.

2. Upon three days' notice, if the commissioner has reason to believe that there is imminent substantial risk to an insurer's solvency, order the insurer to appear before the commissioner and show cause why its license or authority to do insurance business within the state should not be suspended. At the hearing to show cause, the commissioner may summarily suspend the license or authority of the insurer to do business within the state.

3. Summarily order an insurer to cease and desist from a violation, anticipated violation, or suspected violation of [chapter 507B, 510, or 513A](#), if a hearing is provided pursuant to [chapter 17A](#) within thirty days of the summary cease and desist order.

[91 Acts, ch 213, §29](#)

CS91, §515.90

[2007 Acts, ch 152, §19](#)

CS2007, §515.144

515.145 Revocation of authority.

If upon any examination, or upon information obtained from any witness produced or examined, the commissioner determines that a company has violated [section 515.140](#), or if any officer, agent, or employee fails to appear or submit to examination after receiving a subpoena, the commissioner shall promptly issue an order revoking the authority of the

company to transact business within this state, and the company shall not be permitted to do the business of insurance in this state for one year.

[C97, §1755; C24, 27, 31, 35, 39, §9013; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.134]

2003 Acts, ch 91, §39; 2007 Acts, ch 152, §40, 70

CS2007, §515.145

2008 Acts, ch 1074, §15

Referred to in §515.152, 515.153

515.146 Certificate refused — administrative penalty.

The commissioner of insurance shall withhold the commissioner's certificate or permission of authority to do business from a company neglecting or failing to comply with [this chapter](#). In addition, a company organized or authorized under [this chapter](#) which fails to file the annual statement referred to in [section 515.63](#) in the time required shall pay and forfeit an administrative penalty in an amount of five hundred dollars to be collected in the name of the state for deposit as provided in [section 505.7](#). The company's right to transact further new business in this state shall immediately cease until the company has fully complied with [this chapter](#). The commissioner may give notice to a company which has failed to file within the time required that the company is in violation of [this section](#) and, if the company fails to file the evidence of investment and statement within ten days of the date of the notice, the company shall forfeit and pay the additional sum of one hundred dollars for each day the failure continues, to be paid to the treasurer of state for deposit as provided in [section 505.7](#).

[C97, §1715; C24, 27, 31, 35, 39, §8947; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.65]

85 Acts, ch 228, §6; 91 Acts, ch 213, §26; 2007 Acts, ch 152, §3

CS2007, §515.146

2008 Acts, ch 1074, §16; 2009 Acts, ch 181, §78

515.147 Fees.

Fees shall be paid to the commissioner of insurance for deposit as provided in [section 505.7](#) as follows:

1. For filing an application to do business, including all documents submitted in connection with the application, by a foreign or domestic company, or for filing an application for renewed authority, fifty dollars.
2. For issuing to a foreign or domestic company a certificate of authority to do business or a renewed certificate of authority, fifty dollars.
3. For filing amended articles of incorporation, fifty dollars.
4. For issuing an amended certificate of authority, twenty-five dollars.
5. For affixing the official seal to any paper filed with the division, ten dollars.

[C73, §1153; C97, §1752; S13, §1752; C24, 27, 31, 35, 39, §9007; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.128; 82 Acts, ch 1003, §7]

88 Acts, ch 1112, §304; 2007 Acts, ch 152, §36

CS2007, §515.147

2009 Acts, ch 181, §79

Deposit of fees, §12.10

515.148 Expenses of examination.

The necessary expenses of any examination of any insurance company made or ordered to be made by the commissioner of insurance under [this chapter](#) shall be certified to by the commissioner, and paid on the commissioner's requisition by the company so examined; and in case of failure of the company to make such payment, the commissioner shall suspend such company from doing business in this state until such expenses are paid. If such expenses are not paid by the company, they shall be audited by the director of the department of administrative services and paid out of the state treasury.

[C73, §1156; C97, §1753; C24, 27, 31, 35, 39, §9008; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.129]

2003 Acts, ch 145, §286; 2007 Acts, ch 152, §37

CS2007, §515.148

515.149 Compliance with law.

An insurance company organized under [this chapter](#), or doing business in this state, or any foreign or alien company doing business in this state, shall conform to the provisions of [this chapter](#) and all other laws of this state applicable to the insurance company.

[C73, §1147; C97, §1747; C24, 27, 31, 35, 39, §8998; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.119]

[91 Acts, ch 26, §42](#); [91 Acts, ch 258, §59](#); [2007 Acts, ch 152, §30](#)

CS2007, §515.149

515.150 Violations.

It shall be unlawful for any officer, manager, or agent of any insurance company or association who, with knowledge that it is doing business in an unlawful manner, or is insolvent, to solicit or receive applications for insurance with the company or association, or to do any other act or thing toward procuring or receiving any new business for such company or association.

[C73, §1147; C97, §1747; C24, 27, 31, 35, 39, §8999; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.120]

[2004 Acts, ch 1110, §55](#); [2007 Acts, ch 152, §31](#)

CS2007, §515.150

515.151 Officers punished.

It shall be unlawful for any of the following to fail to comply with or to violate any of the requirements of [this chapter](#):

1. The president, secretary, or other officer of any company organized under the laws of this state.

2. Any officer or person doing or attempting to do business in this state for any insurance company organized either within or without this state.

[C73, §1147; C97, §1748; C24, 27, 31, 35, 39, §9000; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.121]

[2004 Acts, ch 1110, §56](#); [2007 Acts, ch 152, §32](#)

CS2007, §515.151

515.152 Judicial review.

Judicial review of the actions of the commissioner of insurance may be sought in accordance with the terms of the Iowa administrative procedure Act, [chapter 17A](#), upon filing with the clerk of court a good and sufficient bond for the payment of all costs adjudged against the petitioner. Notwithstanding the terms of [chapter 17A](#), petitions for judicial review may be filed in the district court of the county where the decision of the commissioner, pursuant to [section 515.145](#), was made.

[C97, §1756; C24, 27, 31, 35, 39, §9014; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.135]

[2003 Acts, ch 44, §114](#); [2007 Acts, ch 152, §41, 71](#)

CS2007, §515.152

Referred to in [§515.153](#)

Presumption of approval of bonds, §636.10

515.153 Incrimination.

The statements and declarations made or testimony given by any officer, agent, or employee in the investigation before the commissioner of insurance, or upon the hearing on the petition for judicial review, as provided in [sections 515.141](#), [515.145](#), and [515.152](#), shall not be used against the person making the same in any criminal prosecution against the person.

[C97, §1757; C24, 27, 31, 35, 39, §9015; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.136]

[2007 Acts, ch 152, §42, 72](#)

CS2007, §515.153

[2008 Acts, ch 1074, §17](#)