

515I.4A Requirements for domestic surplus lines insurers.

1. An insurer that is domiciled in this state may apply to the commissioner for licensure as a domestic surplus lines insurer if all of the following requirements are met:

a. The insurer possesses policyholder surplus of the greater of either fifteen million dollars or three hundred percent of authorized-control-level risk-based capital pursuant to [chapter 521E](#).

b. The insurer is an eligible surplus lines insurer in at least one jurisdiction other than this state.

c. The board of directors of the insurer has passed a resolution seeking approval as a domestic surplus lines insurer in this state and stating that the insurer shall only write surplus lines business. The resolution shall not be amended without approval of the commissioner.

d. The commissioner has approved the insurer as a domestic surplus lines insurer in this state.

2. For the purposes of the federal Nonadmitted and Reinsurance Reform Act of 2010, 15 U.S.C. §8201 et seq., a domestic surplus lines insurer shall be considered a nonadmitted insurer as the term is referenced in the Act, with respect to risks insured in this state.

3. A domestic surplus lines insurer shall be deemed an eligible surplus lines insurer and is subject to all requirements of [this chapter](#) that are applicable to an eligible surplus lines insurer. A domestic surplus lines insurer is authorized to write any kind of insurance that a nonadmitted insurer not domiciled in this state is eligible to write.

4. Notwithstanding any other provision of law to the contrary, a policy or contract issued in this state by a domestic surplus lines insurer shall be subject to taxes assessed on a surplus lines policy or contract issued by a nonadmitted insurer, including the premium tax on surplus lines insurance, but shall not be subject to other taxes levied on an admitted insurer, whether domestic or foreign.

5. A policy or contract issued by a domestic surplus lines insurer is not a policy or contract for which coverage is provided under the Iowa insurance guaranty association pursuant to [chapter 515B](#) or the Iowa life and health insurance guaranty association pursuant to [chapter 508C](#).

6. All financial and solvency requirements imposed in this state upon a domestic admitted insurer are applicable to a domestic surplus lines insurer unless a domestic surplus lines insurer is specifically exempted from such requirements.

7. A policy or contract issued by a domestic surplus lines insurer in this state is exempt from all requirements imposed in this state relating to insurance rating plans, policy or contract forms, policy or contract cancellation and nonrenewal, or premiums charged to the insured, in the same manner and to the same extent as a policy or contract issued by a nonadmitted insurer domiciled in another state.

[2019 Acts, ch 19, §4](#); [2019 Acts, ch 89, §17](#); [2020 Acts, ch 1062, §58](#)

Subsection 7 amended