

**521J.14 Reinsurance.**

1. Subject to the prior approval of the commissioner, a captive company may provide reinsurance on risks ceded by any other insurer.

2. Any captive company may take credit for reserves on risks, or portions of risks, ceded to reinsurers as provided under [chapter 521B](#). In order to cede or take credit for the reinsurance of risks or portions of risks ceded to reinsurers that do not comply with [chapter 521B](#), a captive company shall obtain the prior approval of the commissioner.

3. Insurance by a captive company of any workers' compensation qualified self-insured plan of the captive company's parent and affiliates shall be deemed to be reinsurance under [this chapter](#).

4. In addition to reinsurers authorized under [chapter 521B](#), a captive company may take credit for the reinsurance of risks or portions of risk ceded to a pool or exchange acting as a reinsurer which has been authorized by the commissioner. The commissioner may require documents, financial information, or other evidence that such a reinsurance pool or exchange will be able to provide adequate security for the reinsurance pool's or exchange's financial obligations. The commissioner may deny authorization or impose any limitations on the activities of a reinsurance pool or exchange that, in the commissioner's judgment, are necessary and proper to provide adequate security for the ceding captive company and for the protection and benefit of the public.

5. No credit shall be allowed for reinsurance if the reinsurance contract does not result in the complete transfer of the risk or liability to the reinsurer.

6. No credit shall be allowed, as an asset or a deduction from liability, to any ceding insurer for reinsurance unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding insurer under the contract reinsured without diminution because of the insolvency of the ceding insurer.

7. Reinsurance under [this section](#) shall be effected through a written agreement of reinsurance setting forth the terms, provisions, and conditions governing the reinsurance. The commissioner may require that complete copies of all reinsurance agreements be filed with and approved by the commissioner.

[2023 Acts, ch 107, §17](#)

Referred to in [§521J.21](#)