

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 guaranty capital 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](#); [2025 Acts, ch 30, §90](#)

Referred to in [§515.12A, 515.13](#)

Subsection 5, paragraph b amended