

**515I.11 Violations and penalties.**

1. The commissioner may, after notice and a hearing, declare a surplus lines insurer ineligible to place surplus lines insurance in the state if at any time the commissioner has reason to believe that a surplus lines insurer meets any of the following conditions:

- a. Is in unsound financial condition or has acted in an untrustworthy manner.
- b. No longer meets the standards set forth in [this chapter](#).
- c. Has willfully violated the laws of this state.
- d. Does not conduct its claims settlement practices in a fair and reasonable manner.
- e. Has committed an unfair or deceptive insurance trade practice under [chapter 507B](#).

2. The commissioner may suspend, revoke, or refuse to renew the license of a surplus lines insurance producer or impose any sanction or penalty allowed under [chapter 507B](#) after notice and hearing for one or more of the following grounds:

- a. Removal of the resident surplus lines insurance producer's principal place of business from this state without notice to the commissioner.
- b. Removal of the resident surplus lines insurance producer's office accounts and records from this state during the period for which the accounts and records are required to be maintained.
- c. Closure of the surplus lines insurance producer's office for a period of more than thirty business days, unless permission is granted by the commissioner.
- d. Failure to file required reports with the commissioner or the commissioner's designee.
- e. Failure to remit surplus lines insurance premium taxes to this state as directed by the commissioner.
- f. Violating any provision of [this chapter](#).
- g. For any cause for which an insurance producer license could be denied, revoked, or suspended, or renewal refused or a civil penalty imposed under [chapter 522B](#).

3. The commissioner may initiate an administrative proceeding against a surplus lines insurance producer for the collection of unpaid premium taxes. The commissioner may assess a penalty of one percent of the delinquent amount of taxes owed per month as specified in [section 507A.9](#) and any other penalties allowed by law.

4. A person that represents or aids a nonadmitted insurer in violation of [this chapter](#) shall be subject to criminal penalties as set forth in [section 507A.10](#).

[2012 Acts, ch 1025, §11, 22](#)