

CHAPTER 12  
PORT OF ENTRY REQUIREMENTS

**191—12.1(508,515) Purpose.** The purpose of this chapter is to specify what requirements an alien insurer (one domiciled outside of the United States) must comply with to be considered as a domestic insurer of this state under port of entry authority. An alien insurer may hold this status only after compliance with all of the requirements of this chapter and approval by the commissioner for this status.

**191—12.2(508,515) Trust and other admission requirements.** The insurer must establish a trust account with a financial institution meeting the requirements of rule 191—32.4(508) or other financial institution approved by the commissioner. The following requirements for the account exist:

**12.2(1)** The minimum amount of assets to be held in trust must equal the total United States liabilities plus the amount of surplus determined pursuant to rule 12.4(508,515). The insurer will submit a detailed plan for future business activities in the United States and a financial statement of its operations on a worldwide basis with the application for port of entry authority. This worldwide financial statement, which must also be submitted annually thereafter, shall be adjusted to reflect the National Association of Insurance Commissioners (NAIC) statement format to ensure sufficient consistency to be comprehensible and usable by supervisors in the United States. Thereafter, once port of entry status has been granted, a statement in the form prescribed in Iowa Code chapter 508 or 515 shall be filed in the same manner as by domestic insurers for all business written in the United States.

**12.2(2)** The form of the trust agreement must be submitted to the commissioner in advance for approval as part of the admission process for the alien insurer. The agreement shall be in the form set forth in rule 191—32.3(508). The “minimum aggregate value of securities” for this purpose shall be specified by the commissioner. The commissioner may from time to time require additions or changes in the agreement as are deemed necessary for protection of policyholders in the United States.

**191—12.3(508,515) Examination and preferred supervision.** A “desk” or on-site examination shall be conducted of the alien insurer seeking domestic insurer status. Reasonable expenses of the examination shall be paid by the insurer directly to the insurance division’s revolving fund. The commissioner may designate certain insurance regulatory or supervisory authorities, bodies, or officials outside the United States as preferred supervisors. Prior to designation, the commissioner shall ensure that credible regulatory supervision will be provided by the other supervisor. Preferred supervisors shall maintain membership in the International Insurance Regulators Association. A list of preferred supervisors shall be maintained by the commissioner.

**191—12.4(508,515) Surplus required.** In the event preferred supervision exists for an alien/domestic insurer, the surplus required shall be \$5 million. If preferred supervision has not been determined to exist, the commissioner may require such additional amount of surplus as the commissioner deems appropriate.

**191—12.5(508,515) Investments.** The assets of the trust pursuant to rule 12.2(508,515) shall meet the same investment requirements as are imposed upon domestic insurers under Iowa Code chapter 511 or 515. If chapter 511 is applicable, and the concept of “legal reserve” is not meaningful with regard to the insurer, then “legal reserve” shall mean admitted assets of the insurer.

These rules are intended to implement Iowa Code sections 508.10 and 515.70.

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