

191—102.2(523D) Definitions.

102.2(1) *Definitions of terms found in Iowa Code chapter 523D and this chapter.* The definitions in Iowa Code chapter 523D are incorporated by this reference. In addition, the following definition shall apply to this chapter and shall provide clarification and additional context to Iowa Code chapter 523D.

“*Certified financial statements,*” as used in this chapter and in Iowa Code section 523D.3(1)“*i,*” means financial statements audited and certified by a certified public accountant in accordance with generally accepted auditing standards.

102.2(2) *Definitions of terms used in Iowa Code chapter 523D.* The following terms, which are used in Iowa Code chapter 523D, are defined here to provide clarification and additional context.

“*Actuarial forecast,*” as used in Iowa Code section 523D.5(1)“*f,*” means an analysis which is performed by a qualified actuary or an individual who has demonstrated to the satisfaction of the commissioner the necessary experience and educational background. Such analysis shall be in accordance with generally accepted actuarial principles and practices and shall include a statement of actuarial opinion, an actuarial balance sheet, a cash flow projection, and a statement of applicable actuarial methodology, formulas, and assumptions. “*Qualified actuary*” means an individual who is a member of the American Academy of Actuaries.

“*Financial institution,*” as used in Iowa Code section 523D.5(4), means: a state or federally insured bank, savings bank, savings and loan association, or credit union; or a trust company authorized to do business in the state of Iowa.

“*Statement of financial feasibility,*” as used in Iowa Code section 523D.5(1)“*d,*” means a financial forecast, as defined by the American Institute of Certified Public Accountants (AICPA), of the revenues, expenses, working capital needs, and other financial requirements for the new or expanded facility or an alternative financial study in a form acceptable to the insurance division. The forecast period should include the development or expansion period and extend for five fiscal years from the date of initial occupancy. Unless waived by the commissioner, the statement of financial feasibility shall include a cash flow forecast with underlying assumptions and be presented in accordance with AICPA guidelines. The financial analysis shall be prepared by either a qualified actuary, a certified public accountant, or an individual who has demonstrated to the satisfaction of the commissioner the necessary experience and educational background. “*Qualified actuary*” means an individual who is a member of the American Academy of Actuaries. “*Certified public accountant*” means a person who is licensed as a certified public accountant under Iowa Code chapter 542 or under the laws of another state.

“*Statement of the market feasibility*” as used in Iowa Code section 523D.5(1)“*e,*” means an analysis of the market conditions which:

1. Identifies and evaluates the potential market, including a demographic and economic profile of the population in the facility’s market area;
2. Identifies the existing or proposed facilities or similar businesses offering similar services in the potential market area, including, if available, the occupancy rate for existing facilities for the last three years; and
3. Identifies the name and address of the person who prepared the feasibility study and the experience of the person in preparing similar studies or otherwise consulting in the field of continuing care or related health care fields.

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