

191—110.5(505) Commissioner's authority.

110.5(1) For the purposes of making a determination of an insurer's financial condition under this chapter, the commissioner may:

- a.* Disregard any credit or amount receivable resulting from transactions with a reinsurer that is insolvent, impaired, or otherwise subject to a delinquency proceeding;
- b.* Make appropriate adjustments including disallowance to asset values attributable to investments in or transactions with parents, subsidiaries, or affiliates consistent with the NAIC Accounting Policies and Procedures Manual, state laws, and regulations;
- c.* Refuse to recognize the stated value of accounts receivable if the ability to collect receivables is highly speculative in view of the age of the account, or the financial condition of the debtor;
- d.* Increase the insurer's liability in an amount equal to any contingent liability, pledge, or guaranty not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next 12-month period.

110.5(2) If the commissioner determines that the continued operation of the insurer licensed to transact business in Iowa may be hazardous to its policyholders, creditors, or the general public, then the commissioner may, upon a determination, issue an order requiring the insurer to:

- a.* Reduce the total amount of present and potential liability for policy benefits by reinsurance;
- b.* Reduce, suspend, or limit the volume of business being accepted or renewed;
- c.* Reduce general insurance and commission expenses by specified methods;
- d.* Increase the insurer's capital and surplus;
- e.* Suspend or limit the declaration and payment of a dividend by the insurer to its stockholders or to its policyholders;
- f.* File reports in a form acceptable to the commissioner concerning the market value of the insurer's assets;
- g.* Limit or withdraw from certain investments or discontinue certain investment practices to the extent the commissioner deems necessary;
- h.* Document the adequacy of premium rates in relation to the risks insured;
- i.* File, in addition to regular annual statements, interim financial reports on the form adopted by the National Association of Insurance Commissioners or in such format as promulgated by the commissioner;
- j.* Correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the commissioner;
- k.* Provide a business plan to the commissioner in order to continue to transact business in the state;
- l.* Notwithstanding any other provision of law limiting the frequency or amount of premium rate adjustments, adjust rates for any non-life insurance product written by the insurer that the commissioner considers necessary to improve the financial condition of the insurer.

110.5(3) If the insurer is a foreign insurer, the commissioner's order may be limited to the extent provided by statute.

110.5(4) An insurer subject to an order under subrule 110.5(2) may request a hearing to review that order. The notice of hearing shall be served upon the insurer pursuant to 191—3.12(17A). The notice of hearing shall state the time and place of hearing and the conduct, condition or ground upon which the commissioner based the order. Unless mutually agreed between the commissioner and the insurer, the hearing shall occur not less than 10 days nor more than 30 days after notice is served and shall be in Polk County, Iowa. The commissioner shall hold all hearings under this subrule privately, unless the insurer requests a public hearing, in which case the hearing shall be public.

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