

(P. 103) 1/20/94 Do Pass

*Substituted
for SF 2036
2-9-94*

JAN 10 1994

HOUSE FILE 2013
BY HALVORSON of Clayton

2013

Passed House, Date ^(P. 124) 1/26/94 Passed Senate, Date ^(P. 241) 2/9/94
Vote: Ayes 95 Nays 0 Vote: Ayes 48 Nays 0
Approved Feb 15, 1994

A BILL FOR

1 An Act relating to the definition of an extraordinary dividend or
2 distribution for purposes applied to domestic insurance
3 companies which are not life insurance companies, and
4 providing an effective date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2013

1 Section 1. Section 521A.5, subsection 3, paragraph b,
2 unnumbered paragraph 2, Code Supplement 1993, is amended to
3 read as follows:

4 For purposes of this paragraph, an "extraordinary dividend
5 or distribution" includes any dividend or distribution of cash
6 or other property, whose fair market value together with that
7 of other dividends or distributions made within the preceding
8 twelve months exceeds the greater of the following:

9 (1) Ten percent of insurer's surplus as regards
10 policyholders as of the thirty-first day of December next
11 preceding.

12 (2) The net gain from operations of the insurer, if the
13 insurer is a life insurer, or the net investment income, if
14 the insurer is not a life insurer, for the twelve-month period
15 ending the thirty-first day of December next preceding.

16 Sec. 2. This Act, being deemed of immediate importance, is
17 effective upon enactment.

18 EXPLANATION

19 This bill amends the definition of an "extraordinary
20 dividend or distribution" paid by a domestic insurer subject
21 to chapter 521A which is not a life insurer. The definition
22 is amended by changing "net investment income" to "net income"
23 as a measure against which a dividend or distribution is to be
24 compared.

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Sec. 2. This Act, being deemed of immediate importance, is effective upon enactment.

HOUSE FILE 2013

AN ACT

RELATING TO THE DEFINITION OF AN EXTRAORDINARY DIVIDEND OR DISTRIBUTION FOR PURPOSES APPLIED TO DOMESTIC INSURANCE COMPANIES WHICH ARE NOT LIFE INSURANCE COMPANIES, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 521A.5, subsection 3, paragraph b, unnumbered paragraph 2, Code Supplement 1993, is amended to read as follows:

For purposes of this paragraph, an "extraordinary dividend or distribution" includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of the following:

- (1) Ten percent of insurer's surplus as regards policyholders as of the thirty-first day of December next preceding.
- (2) The net gain from operations of the insurer, if the insurer is a life insurer, or the net investment income, if the insurer is not a life insurer, for the twelve-month period ending the thirty-first day of December next preceding.

HAROLD VAN MAANEN
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2013, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved Sept. 15, 1994

TERRY E. BRANSTAD
Governor