

House File 2490 - Introduced

HOUSE FILE 2490
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 652)

A BILL FOR

1 An Act relating to the reorganization of county and state
2 mutual insurance associations.

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

1 Section 1. Section 515G.1, subsection 5, Code 2024, is
2 amended to read as follows:

3 5. *"Mutual insurer"* means a domestic mutual property and
4 casualty insurance company organized and licensed under chapter
5 515, 518, or 518A.

6 Sec. 2. Section 521A.14, subsection 1, paragraph a, Code
7 2024, is amended to read as follows:

8 a. For purposes of this section, "domestic mutual insurance
9 company" includes a company qualified and licensed in this
10 state pursuant to chapters 518 and 518A. A domestic mutual
11 insurance company, upon approval of the commissioner, may
12 reorganize by forming an insurance holding company based upon
13 a mutual plan and continuing the corporate existence of the
14 reorganizing insurance company as a stock insurance company.
15 The commissioner, after a public hearing as provided in section
16 521A.3, subsection 4, paragraph "b", if satisfied that the
17 interests of the policyholders are properly protected and
18 that the plan of reorganization is fair and equitable to the
19 policyholders, may approve the proposed plan of reorganization
20 and may require as a condition of approval such modifications
21 of the proposed plan of reorganization as the commissioner
22 finds necessary for the protection of the policyholders'
23 interests. The commissioner may retain consultants as
24 provided in [section 521A.3, subsection 4](#), paragraph "d". A
25 reorganization pursuant to [this section](#) is subject to section
26 521A.3, subsections 1, 2, and 3. The commissioner shall retain
27 jurisdiction over a mutual insurance holding company organized
28 pursuant to [this section](#) to assure that policyholder interests
29 are protected.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill relates to the reorganization of county and state
34 mutual insurance associations.

35 The bill expands the current definition of a mutual insurer

1 to include a domestic mutual property and casualty insurance
2 company organized and licensed under Code chapter 518 or Code
3 chapter 518A.

4 Under the bill, a domestic mutual insurance company, defined
5 as a company qualified and licensed in the state pursuant to
6 Code chapters 518 and 518A, may reorganize, upon approval of
7 the commissioner, by forming an insurance holding company
8 pursuant to the requirements of Code section 521A.14.