

**House Study Bill 652 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON LUNDGREN)

**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. NEW SECTION. 518.4A Reorganization.

7 A county mutual insurance association may reorganize by  
8 forming a mutual insurance holding company pursuant to section  
9 521A.14, and the reorganized stock insurer shall continue to be  
10 regulated pursuant to this chapter.

11 Sec. 3. NEW SECTION. 518A.1B Reorganization.

12 A state mutual insurance association may reorganize by  
13 forming a mutual insurance holding company pursuant to section  
14 521A.14, and the reorganized stock insurer shall continue to be  
15 regulated pursuant to this chapter.

16 Sec. 4. Section 521A.14, subsection 1, paragraph a, Code  
17 2024, is amended to read as follows:

18 a. A domestic mutual insurance company, including  
19 but not limited to a county mutual insurance association  
20 organized under chapter 518 or a state mutual insurance  
21 association organized under chapter 518A, upon approval of the  
22 commissioner, may reorganize by forming an insurance holding  
23 company based upon a mutual plan and continuing the corporate  
24 existence of the reorganizing insurance company as a stock  
25 insurance company. The commissioner, after a public hearing  
26 as provided in [section 521A.3, subsection 4](#), paragraph "b", if  
27 satisfied that the interests of the policyholders are properly  
28 protected and that the plan of reorganization is fair and  
29 equitable to the policyholders, may approve the proposed plan  
30 of reorganization and may require as a condition of approval  
31 such modifications of the proposed plan of reorganization  
32 as the commissioner finds necessary for the protection of  
33 the policyholders' interests. The commissioner may retain  
34 consultants as provided in [section 521A.3, subsection 4](#),  
35 paragraph "d". A reorganization pursuant to [this section](#)

1 is subject to section 521A.3, subsections 1, 2, and 3. The  
2 commissioner shall retain jurisdiction over a mutual insurance  
3 holding company organized pursuant to this section to assure  
4 that policyholder interests are protected.

5 EXPLANATION

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

8 This bill relates to the reorganization of county and state  
9 mutual insurance associations.

10 The bill expands the current definition of a mutual insurer  
11 to include a domestic mutual property and casualty insurance  
12 company organized and licensed under Code chapter 518 or Code  
13 chapter 518A.

14 The bill authorizes a county mutual insurance association  
15 or state mutual insurance association to reorganize by forming  
16 a mutual insurance holding company pursuant to Code section  
17 521A.14, and the reorganized stock insurer shall continue to be  
18 regulated pursuant to Code chapter 518, or Code chapter 518A,  
19 respectively.

20 The bill authorizes a county or state mutual insurance  
21 association organized under Code chapter 518 or Code chapter  
22 518A, in addition to a domestic mutual insurance company under  
23 current law, to reorganize, upon approval of the commissioner,  
24 by forming an insurance holding company pursuant to the  
25 requirements of Code section 521A.14.