

Senate Study Bill 3134 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON BROWN)

A BILL FOR

1 An Act relating to the names of reorganized mutual insurance
2 companies.

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

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

3 a. A domestic mutual insurance company, upon approval
4 of the commissioner, may reorganize by forming an insurance
5 holding company based upon a mutual plan and continuing the
6 corporate existence of the reorganizing insurance company as
7 a stock insurance company. The reorganized insurance company
8 may continue to use the word "mutual" in the company's name
9 provided that the company's name also includes the words "stock
10 insurer", or the abbreviation "SI". The commissioner, after
11 a public hearing as provided in section 521A.3, subsection
12 4, paragraph "b", if satisfied that the interests of the
13 policyholders are properly protected and that the plan of
14 reorganization is fair and equitable to the policyholders, may
15 approve the proposed plan of reorganization and may require
16 as a condition of approval such modifications of the proposed
17 plan of reorganization as the commissioner finds necessary
18 for the protection of the policyholders' interests. The
19 commissioner may retain consultants as provided in section
20 521A.3, subsection 4, paragraph "d". A reorganization pursuant
21 to [this section](#) is subject to section 521A.3, subsections 1,
22 2, and 3. The commissioner shall retain jurisdiction over a
23 mutual insurance holding company organized pursuant to this
24 section to assure that policyholder interests are protected.

25 Sec. 2. Section 521A.14, subsection 2, paragraph a, Code
26 2024, is amended to read as follows:

27 a. A domestic mutual insurance company, upon the approval of
28 the commissioner, may reorganize by merging its policyholders'
29 membership interests into a mutual insurance holding company
30 formed pursuant to [subsection 1](#) and continuing the corporate
31 existence of the reorganizing insurance company as a stock
32 insurance company subsidiary of the mutual insurance holding
33 company. The reorganized insurance company may continue to
34 use the word "mutual" in the company's name provided that the
35 company's name also includes the words "stock insurer", or the

1 abbreviation "SI". The commissioner, after a public hearing
2 as provided in [section 521A.3, subsection 4](#), paragraph "b", if
3 satisfied that the interests of the policyholders are properly
4 protected and that the merger is fair and equitable to the
5 policyholders, may approve the proposed merger and may require
6 as a condition of approval such modifications of the proposed
7 merger as the commissioner finds necessary for the protection
8 of the policyholders' interests. The commissioner may retain
9 consultants as provided in [section 521A.3, subsection 4](#),
10 paragraph "d". A merger pursuant to [this section](#) is subject
11 to [section 521A.3, subsections 1, 2, and 3](#). The commissioner
12 shall retain jurisdiction over the mutual insurance holding
13 company organized pursuant to [this section](#) to assure that
14 policyholder interests are protected.

15 EXPLANATION

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

18 This bill relates to the naming requirements for reorganized
19 insurance companies.

20 A domestic mutual insurance company that reorganizes by
21 forming an insurance holding company may continue to use the
22 word "mutual" in its name provided that its name also includes
23 the words "stock insurer", or the abbreviation "SI".

24 A domestic mutual insurance company that reorganizes by
25 merging its policyholders' membership interests into a mutual
26 insurance holding company may continue to use the word "mutual"
27 in its name provided that its name also includes the words
28 "stock insurer", or the abbreviation "SI".