

CHAPTER 1008

DOMESTIC CEDING INSURERS — CREDIT FOR REINSURANCE

S.F. 2131

AN ACT relating to credit allowed to domestic ceding insurers for reinsurance ceded to reinsurers, and including applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. **NEW SECTION. 521B.101A Definitions.**

For purposes of [this chapter](#), unless the context otherwise requires:

1. “*Commissioner*” means the commissioner of insurance.
2. “*NAIC*” means the national association of insurance commissioners.

Sec. 2. [Section 521B.102](#), unnumbered paragraph 1, Code 2020, is amended to read as follows:

Credit for reinsurance shall be allowed a domestic ceding insurer as either an asset or a reduction from liability on account of reinsurance ceded only when the reinsurer meets the requirements of [subsection 1, 2, 3, 4, 5, 5A, or 6](#). The commissioner may adopt rules pursuant to [section 521B.105](#) specifying additional requirements related to the valuation of assets or reserve credits, the amount and forms of security supporting reinsurance arrangements described in [section 521B.105](#), and the circumstances pursuant to which credit shall be reduced or eliminated. Credit shall be allowed under [subsection 1, 2, or 3](#) only respecting cessions of those kinds or classes of business which the assuming insurer is licensed or otherwise permitted to write or assume in the assuming insurer’s state of domicile or, in the case of a United States branch of an alien assuming insurer, in the state through which the alien assuming insurer is entered and licensed to transact insurance or reinsurance. Credit shall be allowed under [subsection 3 or 4](#) only if the applicable requirements of [subsection 7](#) have been satisfied.

Sec. 3. [Section 521B.102, subsection 2](#), paragraph e, Code 2020, is amended to read as follows:

e. Demonstrate to the satisfaction of the commissioner that the assuming insurer has adequate financial capacity to meet the assuming insurer’s reinsurance obligations and is otherwise qualified to assume reinsurance from domestic insurers. An assuming insurer is deemed to meet this requirement as of the time of the assuming insurer’s application if the assuming insurer maintains a surplus as regards policyholders in an amount of not less than twenty million dollars and the assuming insurer’s accreditation has not been denied by the commissioner within ninety calendar days after submission of the assuming insurer’s application.

Sec. 4. [Section 521B.102, subsection 3](#), paragraph a, unnumbered paragraph 1, Code 2020, is amended to read as follows:

Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is domiciled in, or in the case of a United States branch of an alien assuming insurer, is entered through, a state that employs standards regarding credit for reinsurance that are substantially similar to those applicable under [this chapter](#) and the assuming insurer or United States branch of an alien assuming insurer does all of the following:

Sec. 5. [Section 521B.102, subsection 4](#), paragraph a, Code 2020, is amended to read as follows:

a. Credit shall be allowed when the reinsurance is ceded to an assuming insurer that maintains a trust fund in a qualified United States financial institution, as defined in [section 521B.104, subsection 2](#), for payment of the valid claims of the assuming insurer’s United States ceding insurers, their assigns, and successors in interest. To enable the commissioner to determine the sufficiency of the trust fund, the assuming insurer shall report annually to the commissioner information substantially the same as that required to be reported by licensed insurers on the ~~national association of insurance commissioners’~~ NAIC annual

statement form by licensed insurers. The assuming insurer shall submit to examination of the assuming insurer's books and records by the commissioner and bear the expense of examination.

Sec. 6. [Section 521B.102, subsection 4](#), paragraph b, subparagraph (2), Code 2020, is amended to read as follows:

(2) The form of the trust and any trust amendments are filed with the commissioner of every state in which the ceding insurer's insurer beneficiaries of the trust are domiciled. The trust instrument shall provide that contested claims are valid and enforceable upon the final order of any court of competent jurisdiction in the United States. The trust shall vest legal title to the trust's assets in its trustees for the benefit of the assuming insurer's United States ceding insurers, their assigns, and successors in interest. The trust and the assuming insurer shall be subject to examination as determined by the commissioner.

Sec. 7. [Section 521B.102, subsection 4](#), paragraph c, subparagraph (3), subparagraph division (e), Code 2020, is amended to read as follows:

(e) Within ninety calendar days after its financial statements are due to be filed with the group's domiciliary regulator, the group shall provide to the commissioner an annual certification by the group's domiciliary regulator of the solvency of each underwriter member, or if a certification is unavailable, financial statements, prepared by independent public accountants, of each underwriter member of the group.

Sec. 8. [Section 521B.102, subsection 4](#), paragraph c, subparagraph (4), subparagraph division (e), Code 2020, is amended to read as follows:

(e) Within ninety calendar days after the group's financial statements are due to be filed with the group's domiciliary regulator, make available to the commissioner an annual certification of each underwriter member's solvency by the member's domiciliary regulator and financial statements of each underwriter member of the group prepared by the group's independent public accountant.

Sec. 9. [Section 521B.102, subsection 5](#), paragraph a, subparagraph (4), Code 2020, is amended to read as follows:

(4) The assuming insurer shall agree to submit to the jurisdiction of this state, to appoint the commissioner as the assuming insurer's agent for service of process in this state, and agree to provide security for one hundred percent of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers, if the assuming insurer resists enforcement of a final United States judgment.

Sec. 10. [Section 521B.102, subsection 5](#), paragraph b, subparagraph (3), Code 2020, is amended to read as follows:

(3) Within ninety calendar days after the association's financial statements are due to be filed with the association's domiciliary regulator, the association shall provide to the commissioner an annual certification by the association's domiciliary regulator, of the solvency of each underwriter member, or if a certification is unavailable, financial statements, prepared by an independent public accountant, of each underwriter member of the association.

Sec. 11. [Section 521B.102, subsection 5](#), paragraph c, subparagraphs (1), (2), and (3), Code 2020, are amended to read as follows:

(1) In order to determine whether the domiciliary jurisdiction of a non-United States assuming insurer is eligible to be recognized as a qualified jurisdiction, the commissioner shall evaluate the appropriateness and effectiveness of the reinsurance supervisory system of the jurisdiction, both initially and on an ongoing basis, and consider the rights, benefits, and the extent of reciprocal recognition afforded by the non-United States jurisdiction to reinsurers licensed and domiciled in the United States. In order to be recognized as a qualified jurisdiction, a jurisdiction must agree to share information and to cooperate with the commissioner with respect to all certified reinsurers domiciled within that jurisdiction. A jurisdiction shall not be recognized as a qualified jurisdiction if the commissioner has

determined that the jurisdiction does not adequately and promptly enforce final United States judgments and arbitration awards. Additional factors may be considered in the discretion of the commissioner.

(2) A list of qualified jurisdictions shall be published through the ~~national association of insurance commissioners'~~ NAIC committee process. The commissioner shall consider this list in determining qualified jurisdictions. If the commissioner recognizes a jurisdiction as qualified that does not appear on the NAIC list of qualified jurisdictions, the commissioner shall provide thoroughly documented justification for the recognition in accordance with criteria ~~to be developed by rule as specified in rules adopted by the commissioner.~~

(3) United States jurisdictions that meet the requirements for accreditation under the ~~national association of insurance commissioners'~~ NAIC financial standards and accreditation program shall be recognized as qualified jurisdictions.

Sec. 12. [Section 521B.102, subsection 5](#), paragraph e, subparagraph (5), subparagraph division (b), Code 2020, is amended to read as follows:

(b) If the commissioner continues to assign a higher rating to a certified reinsurer as permitted by other provisions of [this subsection section](#), this requirement does not apply to a certified reinsurer in inactive status or to a reinsurer whose certification has been suspended.

Sec. 13. [Section 521B.102, subsection 5](#), paragraph f, Code 2020, is amended to read as follows:

f. If an assuming insurer applying for certification as a reinsurer in this state has been certified as a reinsurer in another jurisdiction accredited by the ~~national association of insurance commissioners~~ NAIC, the commissioner has the discretion to defer to that jurisdiction's certification, and has the discretion to defer to the rating assigned by that jurisdiction, and the assuming insurer shall be considered to be a certified reinsurer in this state.

Sec. 14. [Section 521B.102](#), Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. a. Credit shall be allowed when the reinsurance is ceded to an assuming insurer that meets all of the following conditions:

(1) The assuming insurer must have its head office located in or be domiciled in, as applicable, and be licensed in, a reciprocal jurisdiction. For purposes of [this subsection](#), a "reciprocal jurisdiction" is a jurisdiction that meets at least one of the following requirements:

(a) A non-United States jurisdiction that is subject to an in-force covered agreement with the United States, each within its legal authority, or, in the case of a covered agreement between the United States and the European Union, is a member state of the European Union. For purposes of [this subsection](#), a "covered agreement" is an agreement entered into pursuant to Tit. V, §502(a)(3), 31 U.S.C. §§313-314, of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, that is currently in effect or in a period of provisional application and that addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in this state or for allowing the ceding insurer to recognize credit for reinsurance.

(b) A United States jurisdiction that meets the requirements for accreditation under the NAIC financial regulation standards and accreditation program.

(c) A qualified jurisdiction, as determined by the commissioner pursuant to [subsection 5](#), paragraph "c", which is not otherwise described in this paragraph or paragraph "b", and that meets certain additional requirements consistent with the terms and conditions of an in-force covered agreement as specified in rules adopted by the commissioner.

(2) The assuming insurer must have and maintain, on an ongoing basis, minimum capital and surplus, or its equivalent, calculated according to the methodology of the assuming insurer's domiciliary jurisdiction, in an amount specified in rules adopted by the commissioner. If the assuming insurer is an association, including incorporated and individual unincorporated underwriters, the assuming insurer must have and maintain, on an ongoing basis, minimum capital and surplus equivalents, net of liabilities, calculated

according to the methodology applicable in the assuming insurer's domiciliary jurisdiction, and a central fund containing a balance in an amount as specified in rules adopted by the commissioner.

(3) The assuming insurer must have and maintain, on an ongoing basis, a minimum solvency or capital ratio, as applicable, as specified in rules adopted by the commissioner. If the assuming insurer is an association, including incorporated and individual unincorporated underwriters, the assuming insurer must have and maintain, on an ongoing basis, a minimum solvency or capital ratio in the reciprocal jurisdiction where the assuming insurer has its head office or is domiciled, as applicable, and where the assuming insurer is also licensed.

(4) The assuming insurer must agree and shall provide to the commissioner, in the form and manner specified by the commissioner, adequate assurance of all of the following:

(a) Prompt written notice and explanation if the assuming insurer falls below the minimum requirements set forth in subparagraph (2) or (3) of this paragraph, or if any regulatory action is taken against the assuming insurer for serious noncompliance with any applicable law.

(b) Written consent that the assuming insurer shall submit to the jurisdiction of the courts of this state and to the appointment of the commissioner as agent for service of process. The commissioner may also require that consent for service of process be included in each reinsurance agreement entered into by the assuming insurer. This subparagraph division shall not limit or alter the capacity of the parties to a reinsurance agreement to agree to alternative dispute resolution, except to the extent such alternative dispute resolution is unenforceable under applicable insolvency or delinquency laws.

(c) Written agreement that the assuming insurer shall pay all final judgments, wherever enforcement is sought, obtained against the assuming insurer by a ceding insurer, or the ceding insurer's legal successor, that have been declared enforceable in the jurisdiction in which the final judgment is obtained.

(d) Each reinsurance agreement must include a provision requiring the assuming insurer to provide security in an amount equal to one hundred percent of the assuming insurer's liabilities attributable to reinsurance ceded pursuant to that reinsurance agreement if the assuming insurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which the final judgment is obtained or under an enforceable arbitration award, whether obtained by the ceding insurer or by the ceding insurer's legal successor on behalf of the ceding insurer's resolution estate.

(e) Written confirmation that the assuming insurer is not presently participating in any solvent scheme of arrangement which involves this state's ceding insurers, and written agreement that the assuming insurer shall notify the ceding insurer and the commissioner and shall provide security in an amount equal to one hundred percent of the assuming insurer's liabilities to the ceding insurer, should the assuming insurer enter into such a solvent scheme of arrangement. Such security shall be in a form consistent with the provisions of [subsection 5](#), and [section 521B.103](#).

(5) The assuming insurer or the assuming insurer's legal successor shall provide to the commissioner, on behalf of itself and any legal predecessors, any documentation required pursuant to rules adopted by the commissioner.

(6) Pursuant to rules adopted by the commissioner, the assuming insurer shall maintain prompt payment of claims under all reinsurance agreements.

(7) The assuming insurer's supervisory authority shall annually confirm to the commissioner that as of the preceding December 31, or as of the annual date otherwise statutorily reported to the reciprocal jurisdiction, the assuming insurer complies with the requirements set forth in subparagraphs (2) and (3) of this paragraph.

(8) An assuming insurer shall not be precluded from voluntarily providing any information to the commissioner.

b. The commissioner shall timely create and publish a list of reciprocal jurisdictions.

(1) The commissioner's list shall include any reciprocal jurisdiction as defined under paragraph "a", subparagraph (1), subparagraph divisions (a) and (b), and the commissioner shall consider any other reciprocal jurisdiction included on the list of reciprocal jurisdictions published through the NAIC committee process. Pursuant to criteria established by rules

adopted by the commissioner, the commissioner may approve a jurisdiction that does not appear on the NAIC list of reciprocal jurisdictions.

(2) The commissioner may remove a jurisdiction from the list of reciprocal jurisdictions upon a determination that the jurisdiction no longer meets the requirements of a reciprocal jurisdiction, pursuant to a process established by rules adopted by the commissioner, except that the commissioner shall not remove a reciprocal jurisdiction as defined under paragraph “a”, subparagraph (1), subparagraph divisions (a) and (b). Upon removal of a reciprocal jurisdiction from the list of reciprocal jurisdictions, credit for reinsurance ceded to an assuming insurer which has its home office in or is domiciled in that reciprocal jurisdiction shall be allowed if otherwise allowed pursuant to [this chapter](#).

c. The commissioner shall timely create and publish a list of assuming insurers that have satisfied the conditions in [this subsection](#) and to which cessions shall be granted credit pursuant to [this subsection](#). The commissioner may add an assuming insurer to the list if a NAIC accredited jurisdiction has added the assuming insurer to the NAIC accredited jurisdiction’s list of assuming insurers or if, upon initial eligibility, the assuming insurer submits the information required under paragraph “a”, subparagraph (4), to the commissioner and complies with any additional requirements pursuant to rules adopted by the commissioner, except to the extent that any of those rules conflict with an applicable covered agreement.

d. If the commissioner determines that an assuming insurer no longer meets one or more of the requirements under [this subsection](#), the commissioner may revoke or suspend the eligibility of the assuming insurer for recognition under [this subsection](#) in accordance with procedures established by rules adopted by the commissioner.

(1) While an assuming insurer’s eligibility is suspended, any reinsurance agreement issued, amended, or renewed after the effective date of the suspension does not qualify for credit except to the extent that the assuming insurer’s obligations under the reinsurance agreement are secured in accordance with [section 521B.103](#).

(2) If an assuming insurer’s eligibility is revoked, credit for reinsurance shall not be granted after the effective date of the revocation with respect to any reinsurance agreements entered into by the assuming insurer, including reinsurance agreements entered into prior to the date of revocation, except to the extent that the assuming insurer’s obligations under the reinsurance agreement are secured in a form acceptable to the commissioner and consistent with the provisions of [section 521B.103](#).

e. If subject to a legal process of rehabilitation, liquidation, or conservation, as applicable, the ceding insurer or the ceding insurer’s representative may seek, and if determined appropriate by the court in which such legal process is pending, may obtain an order requiring that the assuming insurer post security for all outstanding ceded liabilities.

f. [This subsection](#) shall not limit or alter the capacity of the parties to a reinsurance agreement to agree on requirements for security or other terms in the reinsurance agreement, except as expressly prohibited by [this chapter](#) or any other applicable law or regulation.

g. (1) Credit may be taken under [this subsection](#) only for reinsurance agreements entered into, amended, or renewed on or after July 1, 2020, and only with respect to losses incurred and reserves reported on or after the later of the date on which the assuming insurer has met all eligibility requirements pursuant to [this subsection](#), and the effective date of the new reinsurance agreement, amendment, or renewal.

(2) This paragraph shall not alter or impair a ceding insurer’s right to take credit for reinsurance, to the extent that credit is not available under [this subsection](#), as long as the reinsurance qualifies for credit under any other applicable provision of [this chapter](#).

h. [This subsection](#) shall not authorize an assuming insurer to withdraw or reduce the security provided under any reinsurance agreement except as permitted by the terms of the reinsurance agreement.

i. [This subsection](#) shall not limit or alter the capacity of parties to any reinsurance agreement to renegotiate the reinsurance agreement.

Sec. 15. [Section 521B.102, subsections 6 and 7](#), Code 2020, are amended to read as follows:

6. Credit shall be allowed when reinsurance is ceded to an assuming insurer that does not meet the requirements of [subsection 1, 2, 3, 4, or 5, or 5A](#), but only as to the insurance of risks located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.

7. *a.* If the assuming insurer is not licensed, accredited, or certified to transact insurance or reinsurance in this state, the credit permitted by [subsections 3 and 4](#) shall not be allowed unless the assuming insurer agrees in the reinsurance ~~agreements~~ agreement to do all of the following:

(1) In the event of the failure of the assuming insurer to perform its obligations under the terms of the reinsurance agreement, the assuming insurer, at the request of the ceding insurer, ~~will~~ shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States, ~~will~~ shall comply with all requirements necessary to give the court jurisdiction, and ~~will~~ shall abide by the final decision of the court or of any appellate court in the event of any appeal, concerning such failure.

(2) The assuming insurer ~~will~~ shall designate the commissioner or a designated attorney as its true and lawful attorney to receive lawful process in any action, suit, or proceeding instituted by or on behalf of the ceding insurer.

b. [This subsection](#) is not intended to conflict with or override the obligation of the parties to a reinsurance agreement to arbitrate ~~their disputes~~ a dispute if the obligation for the parties to arbitrate disputes is created in the reinsurance agreement.

Sec. 16. [Section 521B.102, subsection 8](#), unnumbered paragraph 1, Code 2020, is amended to read as follows:

If the assuming insurer does not meet the requirements of [subsection 1, 2, or 3, or 5A](#), the credit permitted by [subsection 4 or 5](#) shall not be allowed unless the assuming insurer agrees in a trust agreement to satisfy the following conditions:

Sec. 17. [Section 521B.102, subsection 9](#), unnumbered paragraph 1, Code 2020, is amended to read as follows:

If an accredited or certified reinsurer ceases to meet the requirements ~~of~~ for accreditation or certification pursuant to this section ~~for accreditation or certification~~, the commissioner may suspend or revoke the reinsurer's accreditation or certification.

Sec. 18. [Section 521B.102, subsection 9](#), paragraph b, Code 2020, is amended to read as follows:

b. While a reinsurer's accreditation or certification is suspended, a reinsurance contract issued or renewed after the effective date of the suspension does not qualify for credit except to the extent that the reinsurer's obligations under the reinsurance contract are secured in accordance with [section 521B.103](#). If a reinsurer's accreditation or certification is revoked, credit for reinsurance shall not be granted after the effective date of the revocation except to the extent that the reinsurer's obligations under the reinsurance contract are secured in accordance with [subsection 5](#), paragraph "e", or [section 521B.103](#).

Sec. 19. [Section 521B.102, subsection 10](#), paragraphs a and b, Code 2020, are amended to read as follows:

a. A domestic ceding insurer shall take steps to manage its reinsurance recoverables proportionate to its own book of business. A domestic ceding insurer shall notify the commissioner within thirty calendar days after reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, exceeds fifty percent of the domestic ceding insurer's last reported surplus to policyholders, or after ~~it is determined~~ the domestic ceding insurer has determined that reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

b. A domestic ceding insurer shall take steps to diversify its reinsurance program. A domestic ceding insurer shall notify the commissioner within thirty calendar days after

ceding to any single assuming insurer, or group of affiliated assuming insurers, more than twenty percent of the domestic ceding insurer's gross written premium in the prior calendar year, or after the domestic ceding insurer has determined that the reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

Sec. 20. [Section 521B.103](#), Code 2020, is amended to read as follows:

521B.103 Limited credit allowed other domestic ceding insurers.

1. An asset or a reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of [section 521B.102](#), shall be allowed in an amount not exceeding the liabilities carried by the ceding insurer. The commissioner may adopt rules pursuant to [section 521B.105](#) specifying requirements related to the valuation of assets or reserve credits, the amount and forms of security supporting reinsurance arrangements described in [section 521B.105](#), and the circumstances pursuant to which credit shall be reduced or eliminated. The reduction shall be in the amount of funds held by or on behalf of the ceding insurer, including funds held in trust for the ceding insurer, under a reinsurance contract with the assuming insurer as security for the payment of obligations under the reinsurance contract, if the security is held in the United States subject to withdrawal solely by, and under the exclusive control of, the ceding insurer, or in the case of a trust, held in a qualified United States financial institution as defined in [section 521B.104, subsection 2](#).

2. The security may be in the form of any of the following:

a. Cash.

b. A security listed by the securities valuation office of the ~~national association of insurance commissioners~~ NAIC, including those securities deemed exempt from filing as defined by the purposes and procedures manual of the securities valuation office and those securities qualifying as admitted assets.

c. (1) Clean, irrevocable, unconditional letters of credit, issued or confirmed by a qualified United States financial institution, as defined in [section 521B.104, subsection 1](#), effective no later than December 31 of the year for which the filing is being made, and in the possession of, or in trust for, the ceding insurer on or before the filing date of the ceding insurer's annual statement.

(2) A letter of credit meeting applicable standards of issuer acceptability as of the date of the ~~issuance or confirmation of the letter of credit's issuance or confirmation~~ credit shall, notwithstanding the issuing or confirming institution's subsequent failure to meet applicable standards of issuer acceptability, continue to be acceptable as security until the expiration, extension, renewal, modification, or amendment of the letter of credit, whichever occurs first.

d. Any other form of security acceptable to the commissioner.

Sec. 21. [Section 521B.104, subsection 1](#), paragraph c, Code 2020, is amended to read as follows:

c. Has been determined by either the commissioner or the securities valuation office of the ~~national association of insurance commissioners~~ NAIC to meet the standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the commissioner.

Sec. 22. [Section 521B.105, subsection 1](#), Code 2020, is amended to read as follows:

1. The commissioner may adopt rules, pursuant to [chapter 17A](#), as necessary or convenient to administer [this chapter](#).

Sec. 23. [Section 521B.105, subsection 2](#), paragraph a, unnumbered paragraph 1, Code 2020, is amended to read as follows:

A rule adopted pursuant to [this subsection](#) is applicable only to reinsurance arrangements relating to any of the following:

Sec. 24. [Section 521B.105, subsection 2](#), paragraph a, subparagraph (5), Code 2020, is amended to read as follows:

(5) Other life and health insurance and annuity products as to which the ~~national association of insurance commissioners~~ NAIC adopts model regulatory requirements with respect to credit for reinsurance.

Sec. 25. [Section 521B.105, subsection 2](#), paragraph c, Code 2020, is amended to read as follows:

c. A rule adopted pursuant to [this subsection](#) may require the ceding insurer, in calculating the amounts or forms of security required to be held under rules adopted under [this subsection](#), to use the valuation manual as defined in [section 508.36](#), including all amendments adopted by the ~~national association of insurance commissioners~~ NAIC and in effect on the date as of which the calculation is made, to the extent applicable.

Sec. 26. [Section 521B.105, subsection 3](#), Code 2020, is amended to read as follows:

3. A rule adopted pursuant to [this section](#) is not applicable to cessions to an assuming insurer that meets ~~either~~ any of the following requirements:

a. Meets the conditions set forth in [section 521B.102, subsection 6](#).

~~a.~~ b. Is certified in Iowa.

~~b.~~ c. Maintains at least two hundred fifty million dollars in capital and surplus when determined in accordance with the accounting practices and procedures manual of the ~~national association of insurance commissioners~~ NAIC, including all amendments adopted by the ~~national association of insurance commissioners~~ NAIC, but excluding the impact of any permitted or prescribed practices; and meets either of the following requirements:

(1) Is licensed in at least twenty-six states.

(2) Is licensed in at least ten states, and is licensed or accredited in a total of at least thirty-five states.

Sec. 27. APPLICABILITY. This Act applies to all cessions under reinsurance agreements that have an inception, anniversary, or renewal date on or after July 1, 2020.

Approved March 12, 2020