

## CHAPTER 1116

### REGULATION OF INSURANCE — REORGANIZATION OF COUNTY AND STATE MUTUAL INSURANCE ASSOCIATIONS — NONRENEWAL NOTICES

H.F. 2490

**AN ACT** relating to the reorganization of county and state mutual insurance associations, nonrenewal notices for automobile insurance, and nonrenewal notices by county and state mutual insurance associations, and including effective date provisions.

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

Section 1. [Section 515D.7, subsection 1](#), Code 2024, is amended to read as follows:

1. Notwithstanding the provisions of [sections 515.125, and 515.128, 515.129B, and 515.129C](#), an insurer shall not fail to renew a policy except by notice to the insured as provided in [this chapter](#). A notice of intention not to renew shall not be effective unless mailed or delivered by the insurer to the named insured at least thirty calendar days prior to the expiration date of the policy. A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing. Unless the reason accompanies the notice of intent not to renew, the notice shall state that, upon written request of the named insured, mailed or delivered to the insurer not less than thirty calendar days prior to the expiration date of the policy, the insurer will state the reason for nonrenewal.

Sec. 2. [Section 515D.7](#), Code 2024, is amended by adding the following new subsection:

**NEW SUBSECTION. 1A.** Notwithstanding the provisions of [sections 515.129B and 515.129C](#), an insurer shall not fail to renew a policy except by notice to the insured as provided in [this chapter](#). A notice of intention not to renew shall not be effective unless mailed or delivered by the insurer to the named insured at least sixty calendar days prior to the expiration date of the policy. A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing. Unless the reason accompanies the notice of intent not to renew, the notice shall state that, upon written request of the named insured, mailed or delivered to the insurer not less than sixty calendar days prior to the expiration date of the policy, the insurer will state the reason for nonrenewal.

Sec. 3. [Section 515G.1, subsection 5](#), Code 2024, is amended to read as follows:

5. “*Mutual insurer*” means a domestic mutual property and casualty insurance company organized and licensed under [chapter 515, 518, or 518A](#).

Sec. 4. [Section 518.23, subsection 3](#), Code 2024, is amended to read as follows:

3. *Nonrenewal by association*. A notice of intention not to renew is not effective unless mailed or delivered by the insurer to the named insured at least ~~thirty~~ sixty days prior to the expiration date of the policy. If the reason does not accompany the notice of nonrenewal, the association, upon receipt of a timely request by the named insured, shall provide the reason for the nonrenewal in writing.

Sec. 5. [Section 518A.29, subsection 3](#), Code 2024, is amended to read as follows:

3. *Nonrenewal by association*. A notice of intention not to renew is not effective unless mailed or delivered by the insurer to the named insured at least ~~thirty~~ sixty days prior to the expiration date of the policy. If the reason does not accompany the notice of nonrenewal, the association, upon receipt of a timely request by the named insured, shall provide in writing the reason for the nonrenewal.

Sec. 6. [Section 521A.14, subsection 1](#), paragraph a, Code 2024, is amended to read as follows:

a. For purposes of [this section](#), “*domestic mutual insurance company*” includes a company qualified and licensed in this state pursuant to [chapters 518](#) and [518A](#).<sup>1</sup> A domestic mutual insurance company, upon approval of the commissioner, may reorganize by forming an insurance holding company based upon a mutual plan and continuing the corporate existence of the reorganizing insurance company as a stock insurance company. The commissioner, after a public hearing as provided in [section 521A.3, subsection 4](#), paragraph “b”, if satisfied that the interests of the policyholders are properly protected and that the plan of reorganization is fair and equitable to the policyholders, may approve the proposed plan of reorganization and may require as a condition of approval such modifications of the proposed plan of reorganization as the commissioner finds necessary for the protection of the policyholders’ interests. The commissioner may retain consultants as provided in [section 521A.3, subsection 4](#), paragraph “d”. A reorganization pursuant to [this section](#) is subject to [section 521A.3, subsections 1, 2, and 3](#). The commissioner shall retain jurisdiction over a mutual insurance holding company organized pursuant to [this section](#) to assure that policyholder interests are protected.

Sec. 7. EFFECTIVE DATE. The following take effect January 1, 2025:

1. The sections of this Act amending [section 515D.7](#).
2. The section of this Act amending [section 518.23](#).
3. The section of this Act amending [section 518A.29](#).

Approved May 1, 2024

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<sup>1</sup> See chapter 1154, §17 herein