

**191—99.3(505,508) Definitions.** For purposes of this chapter, the following definitions shall apply:

“*Affiliated companies*” means domestic life insurance companies that are directly or indirectly wholly owned subsidiaries of the same parent.

“*Ceding insurer*” means a domestic life insurance company that is an affiliated company of an LPS and that cedes risk to the LPS pursuant to a reinsurance contract.

“*Commissioner*” means the Iowa insurance commissioner.

“*Guaranty of a parent*” means an agreement to pay specified obligations of the LPS by a parent of the LPS approved by the commissioner that is not a ceding insurer and the guarantor has sufficient equity, less the equity of all ceding insurers that are subsidiaries of the guarantor, to satisfy the agreement during the life of the guaranty.

“*Insurance securitization*” or “*securitization*” means a transaction or a group of related transactions, which may include capital market offerings, that are effected through related risk transfer instruments and facilitating administrative agreements where all or part of the result of such transactions is used to fund the LPS’s obligations under a reinsurance contract with a ceding insurer and by which proceeds are:

1. Obtained by an LPS, directly or indirectly, through the issuance of securities by the LPS or any other person; or

2. Provided through one or more letters of credit or other assets for the benefit of the LPS, which the commissioner authorizes the LPS to treat as admitted assets for purposes of the LPS’s annual statement; where all or any part of such proceeds, letters of credit, or assets, as applicable, is used to fund the LPS’s obligations under a reinsurance contract with a ceding insurer. The terms “insurance securitization” and “securitization” do not include the issuance of a letter of credit for the benefit of the commissioner to satisfy all or part of the LPS’s capital and surplus requirements under this chapter.

“*Insurer*,” for purposes of this chapter, means a domestic life insurance company organized under Iowa Code chapter 508.

“*Letters of credit*” means clean, unconditional, irrevocable letters of credit issued or confirmed by a qualified United States financial institution as defined in Iowa Code section 521B.103(2) “c.”

“*LPS*” means a limited purpose subsidiary life insurance company organized pursuant to Iowa Code section 508.33A that is wholly owned by the organizing life insurance company and that is issued a certificate of authority by the commissioner pursuant to this chapter.

“*LPS security*” means:

1. A security issued by an LPS; or
2. A security issued by a third party, the proceeds of which are obtained directly or indirectly by an LPS.

“*Management*” means the board of directors, managing board, or other individual or individuals vested with overall responsibility for the management of the affairs of the LPS, including but not limited to officers or other agents elected or appointed to act on behalf of the LPS.

“*Material*” means a transaction or series of transactions involving amounts equal to or exceeding 3 percent of the LPS’s admitted assets less any letters of credit and intangible assets included as an admitted asset of the LPS.

“*Organizational document*” means an LPS’s articles of incorporation and bylaws.

“*Organizing life insurance company*” means the domestic life insurance company that organizes the LPS pursuant to Iowa Code section 508.33A.

“*Parent*” means a person as defined in Iowa Code section 521A.1 that directly or indirectly through one or more intermediaries wholly owns an LPS.

“*Reinsurance contract*” means a contract between an LPS and a ceding insurer pursuant to which the LPS agrees to provide reinsurance to the ceding insurer for risks.

“*Risk*” means risks associated with life insurance policies and contracts written by the ceding insurer or assumed by the ceding insurer from an affiliated company which were written by the affiliated company and for which the ceding insurer holds direct statutory reserves for those policies and contracts required by Iowa Code section 508.36.

“*Risk-based capital instructions*” means the instructions included in the risk-based capital report as adopted by the National Association of Insurance Commissioners, as such risk-based capital instructions

may be amended by the National Association of Insurance Commissioners from time to time in accordance with the procedures adopted by the National Association of Insurance Commissioners.

*“Security”* means the same as defined in Iowa Code section 502.102 and shall also include any form of debt obligation, surplus note, derivative, or other financial instrument that the commissioner designates as a “security” for purposes of this chapter.

*“Subsidiary”* means the same as defined in Iowa Code section 521A.1(9).

*“Surplus note”* means an unsecured subordinated debt obligation possessing characteristics consistent with paragraph 3 of the National Association of Insurance Commissioners (NAIC) Statement of Statutory Accounting Principles No. 41, as amended from time to time and as modified or supplemented by rule or order of the commissioner.

[ARC 9229B, IAB 11/17/10, effective 12/22/10; ARC 5515C, IAB 3/10/21, effective 4/14/21]