

Iowa Credit Review Standards Checklist

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
FORMS		
Applications		
Producer Designation	Iowa Code 507B.4(10A)	Application must designate the licensed producer who solicited and wrote the policy.
Arbitration		
Prohibition	Iowa Code 679A.1(2)	A written agreement to submit to arbitration a future controversy is not enforceable in a contract of adhesion.
Cancellation & Nonrenewal		
Right to cancel	Iowa Code 515.84	No policy provision shall defeat the right of any insured to pay short rates and costs of action, if any, to cancel the policy.
Cancellation Reasons	Iowa Code 515.81A	Policies that have been in effect for more than 60 days may be cancelled only for the following reasons: (1) non-payment of premium; (2) discovery of fraud or misrepresentation; (3) actions by the insured which substantially change or increase the risk insured; (4) determination by the commissioner that the continuation of the policy will jeopardize the insurer's solvency or will constitute a violation of the law of this or any other state; (5) the insured has acted in a manner which the insured should have known was a violation of a contract term; (6) loss of reinsurance coverage that provides coverage for a significant portion of an insured's risk and the commissioner determines cancellation is justified.
Cancellation Notice Content	Iowa Code 515.81A	The notice must contain the effective date of the cancellation and the reason for cancellation.
Cancellation Notice Days Required	Iowa Code 515.81A	A 10 day notice is required for nonpayment of premium and for any of the reasons listed in 515.81A, except for cancellation due to loss of reinsurance, which requires a 30 day notice.
Nonrenewal Reasons	Iowa Code 515.81B	Notice of nonrenewal includes a decision by the insurer not to renew the policy or contract, an increase in the premium of 25% or more, an increase in the deductible of 25% or more, or a material reduction in the limits or coverage of the policy or contract.
Nonrenewal Notice Days Required	Iowa Code 515.81B	The insurer must give 45 days notice of nonrenewal prior to the expiration date of the policy. If the insurer fails to meet the 45 day requirement, the insured has the option to continue coverage for the remainder of the notice period, plus an additional 30 days, at the premium rate of the existing policy.
Filing Standards		
Prior Approval	Iowa Code 515.109	All forms, endorsements & applications must be filed and approved by the Division prior to use.

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Execution of Policies	Iowa Code 515.51	All policies or contracts of insurance may be made with or without the seal of the company, but shall be subscribed by the president or such designated officer, and be attested to by the secretary or such designee of the company.
RATING		
Pricing		
Rating Standards	Iowa Code 515F.4(1)	Rates shall not be excessive, inadequate, or unfairly discriminatory.
Support	Iowa Code 515F.5(1)	An insurer shall file or incorporate by reference to material which has been approved...all supplementary rating and supporting information to be used in support of or in conjunction with a rate.
Loss Ratio	Iowa Code 515F.4A;EFFECTIVE 1/1/02	Benefits provided by credit personal property insurance shall be reasonable in relation to the premium charged. This requirement is satisfied if the premium rate charged develops a loss ratio of not less than 50% or such lower loss ratio as designated by the commissioner.
Rating Plan Requirements		
Schedule Rating Plans	Unpublished requirement.	Maximum credit or debit is +/-25%.
Waiver of return premiums	Unpublished requirement.	Up to \$15 if any return premium granted if requested by the insured. Otherwise, \$5 maximum.
General Filing References		
Consent to Rate Filings	Iowa Code 515F.5(5)	A rate in excess of that provided by a filing otherwise applicable may be used on a specific risk upon the written application of the insured stating the insured's reasons and filed with and approved by the commissioner.
Prior Approval	Iowa Code 515F.5; IAC 191-5.9	No rate filing shall include any adjustment designed to recover underwriting or operating losses incurred out of state.