

**CHAPTER 16****FINANCIAL INSTITUTIONS' DEPOSIT INSURANCE***S.F. 87*

**AN ACT** relating to the deposit insurance required of certain financial institutions, and providing an effective date.

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

Section 1. Section 524.816, subsection 1, Code 1991, is amended to read as follows:

1. A bank organized under this chapter, as a condition of maintaining its privilege of organization after July 1, 1984 shall become an insured bank and shall acquire and maintain insurance to protect each depositor against loss of funds held on account by the bank. The insurance shall be obtained from the federal deposit insurance corporation or another insurance plan approved by the superintendent, provided that each bank shall acquire deposit insurance from the appropriate agency of the federal government.

Sec. 2. Section 533.64, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Except as provided in section 533.12, subsection 2, a credit union organized under this chapter, as a condition of maintaining its privilege of organization after December 31, 1980, shall acquire and maintain insurance to protect each shareholder and each depositor against loss of funds held on account by the credit union. The insurance shall be obtained from the national credit union administrator or from some other share guarantor or insurance plan approved by the Iowa commissioner of insurance and the superintendent, provided that each credit union shall acquire deposit insurance from the appropriate agency of the federal government.

Sec. 3. Section 534.506, subsection 1, Code 1991, is amended to read as follows:

1. An association organized under this chapter as a condition of maintaining its privilege of organization after July 1, 1984 shall acquire and maintain insurance to protect each depositor against loss of funds held on account by the association. The insurance shall be obtained from the federal savings and loan insurance corporation or another insurance plan approved by the superintendent, provided that each association organized under this chapter shall acquire deposit insurance from the appropriate agency of the federal government.

Sec. 4. **EFFECTIVE DATE.** This Act takes effect July 1, 1992.

Approved March 28, 1991

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**CHAPTER 17****ACCOUNTING PRACTITIONER LICENSING***S.F. 111*

**AN ACT** relating to the qualifications for licensure of an accounting practitioner.

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

Section 1. Section 116.8, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 4. If the applicant submits evidence of at least five years continuous experience engaged in performing any of the services delineated in section 116.2 on a full-time basis.

Approved March 28, 1991

**CHAPTER 18****PEER REVIEW OF CERTIFIED PUBLIC ACCOUNTANTS***S.F. 151*

**AN ACT** relating to peer review of certain certified public accountants.

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

Section 1. **NEW SECTION. 116.20A PEER REVIEW REQUIRED.**

1. **DEFINITIONS.** As used in this section:

a. "Applicant" means an entity holding a permit to practice as a corporation or partnership of certified public accountants issued pursuant to section 116.20, subsection 3, or a person certified as a public accountant pursuant to section 116.5 who practices as a sole proprietorship.

b. "Peer review" means peer or quality review.

c. "Peer review records" means all files, reports, and other information relating to the professional competence of an applicant in the possession of a peer review team, or information concerning the peer review developed by a peer review team in the possession of an applicant.

d. "Peer review team" means persons or organizations participating in the peer review function required by this section, but does not include the board.

2. **DUTIES OF THE BOARD.** The board shall adopt rules requiring peer review pursuant to this section. The board shall adopt rules specifying standards for peer review teams and providing that each reviewing team member shall be independent of the applicant being reviewed.

3. **PEER REVIEW REQUIRED FOR RENEWAL.**

a. As of January 1, 1994, as a condition of renewal of an applicant's permit, an applicant shall submit evidence of completion of a peer review conducted to determine the degree of the applicant's compliance with generally accepted accounting principles, generally accepted auditing standards, and other similarly recognized authoritative technical standards. Peer review shall occur every three years. Costs of the peer review shall be paid by the applicant.

b. An applicant's completion of a peer review program endorsed or supported by the American institute of certified public accountants, or other substantially similar review, shall satisfy the requirements of this section.

4. **WAIVER OF PEER REVIEW REQUIREMENT.** An applicant, at the time of renewal, may request in writing upon forms provided by the board, a waiver from the requirements of this section. The board may grant a waiver if one or more of the following conditions are met:

a. The applicant does not engage in, and does not intend to engage in during the following year, financial reporting areas of practice, including but not limited to financial audits, compilations, and reviews. An applicant granted a waiver pursuant to this paragraph shall immediately notify the board if the applicant engages in such practice, and shall be subject to peer review.

b. For reasons of health.

c. Due to military service.

d. In instances of hardship.

e. For other good cause as determined by the board.

5. **CONFIDENTIALITY OF PEER REVIEW RECORDS.**

a. Peer review records are privileged and confidential, are not subject to discovery, subpoena, or other means of legal compulsion. Peer review records are not admissible in evidence in a judicial, arbitration, or administrative proceeding. Information or documents discoverable from sources other than a peer review team do not become nondiscoverable from other sources because they are made available to or are in the possession of a peer review team. Information or documents publicly available from the American institute of certified public accountants relating to quality or peer review are not privileged or confidential under this subsection.

b. A person or organization participating in the peer review process shall not testify as to the findings, recommendations, evaluations, or opinions of a peer review team in any judicial, arbitration, or administrative proceeding.