

CHAPTER 108

INSURANCE — DELIVERY AND POSTING OF NOTICES AND DOCUMENTS — INSURANCE PRODUCER DUTIES AND RESPONSIBILITIES

H.F. 504

AN ACT relating to insurance, including electronic delivery and posting of insurance notices and documents and to certain duties, responsibilities, and liabilities of insurance producers.

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

Section 1. Section 505B.1, subsection 2, Code 2015, is amended to read as follows:

2. a. Subject to [subsection 4](#) the requirements of [this section](#), except for a notice of cancellation, nonrenewal, or termination, any notice to a party or any other document required under applicable law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored, or presented by electronic means so long as the notice or document meets the requirements of [chapter 554D](#).

b. A notice of cancellation, nonrenewal, or termination shall be delivered by mail as provided by law and shall not be delivered by electronic means unless the notice is sent and received as required pursuant to [section 554D.117](#) in a manner that is verifiable and is approved by the commissioner by rules adopted pursuant to [chapter 17A](#). Delivery of a notice or document by electronic means in a manner that meets the requirements of [chapter 554D](#) and [this chapter](#), and in a manner that is verifiable and is approved by the commissioner by rule, may be used in lieu of delivery by mail. Nothing in [this section](#) shall prohibit the delivery of a courtesy copy of a notice of cancellation, nonrenewal, or termination by electronic means even if the manner of electronic delivery has not been approved by the commissioner by rule if both of the following requirements are met:

(1) The notice of cancellation, nonrenewal, or termination is properly delivered by mail as provided by law.

(2) The requirements of [subsection 4](#) are satisfied.

Sec. 2. Section 505B.1, subsection 4, paragraph b, subparagraphs (1), (2), (3), and (4), Code 2015, are amended to read as follows:

(1) ~~Any~~ ~~The right of option of~~ the party to have the notice or document provided or made available in paper ~~or another nonelectronic form~~.

(2) The right of the party to withdraw consent to have a notice or document delivered by electronic means and any fees, conditions, or consequences imposed in the event consent is withdrawn.

(3) Whether the party's consent applies as follows:

(a) Only to the particular transaction as to which the notice or document must be provided.

(b) To notices of cancellation, nonrenewal, or termination.

~~(b)~~ (c) To other identified categories of notices or documents that may be delivered by electronic means during the course of the parties' relationship.

(4) ~~(a)~~ The means, after consent is given, by which a party may obtain a paper copy of a notice or document delivered by electronic means.

~~(b) The fee, if any, for the paper copy.~~

Sec. 3. Section 505B.1, subsection 4, paragraph d, subparagraph (1), subparagraph division (b), Code 2015, is amended to read as follows:

(b) The right of the party to withdraw consent without the imposition of any fee, condition, or consequence that was not disclosed under paragraph "b", subparagraph (2).

Sec. 4. Section 505B.1, subsection 10, Code 2015, is amended to read as follows:

10. If the consent of a party to receive certain notices or documents in an electronic form is on file with an insurer before July 1, 2014, and pursuant to [this section](#) an insurer intends to deliver additional notices or documents to such party in an electronic form, then prior to

delivering such additional notices or documents electronically, the insurer shall ~~notify the party~~ do all of the following:

a. Provide the party with a statement that describes all of the following:

~~α.~~ (1) The notices or documents that ~~may~~ will be delivered by electronic means under [this section](#) that were not previously delivered electronically.

~~β.~~ (2) The party's right to withdraw consent to have notices or documents delivered by electronic means ~~without the imposition of any condition or consequence that was not disclosed at the time of initial consent.~~

b. Comply with all of the requirements of [subsection 4](#), paragraph "b".

Sec. 5. Section 505B.1, subsection 11, Code 2015, is amended by striking the subsection and inserting in lieu thereof the following:

11. An insurer shall deliver a notice or document by any other delivery method permitted by law other than electronic means if either of the following occurs:

a. The insurer attempts to deliver the notice or document by electronic means and has a reasonable basis for believing that the notice or document has not been received by the party.

b. The insurer becomes aware that the electronic mail address provided by the party is no longer valid.

Sec. 6. Section 505B.1, Code 2015, is amended by adding the following new subsection:
NEW SUBSECTION. 11A. It shall be the exclusive responsibility of an insurer to satisfy the requirements of [this section](#) and to deliver any notice or document sent to a party pursuant to [this section](#).

Sec. 7. Section 505B.2, Code 2015, is amended to read as follows:

505B.2 Posting of policies on the internet.

1. Notwithstanding any contrary provision of [chapter 554D](#), an insurer may mail, deliver, or post on the insurer's internet site insurance documents, including policies, riders, endorsements, and annuity contracts that do not contain personally identifiable information. If the insurer elects to post an insurance policy or endorsement on the insurer's internet site in lieu of mailing or delivering the policy or endorsement to the insured, the insurer must comply with all of the following conditions:

~~1.~~ a. The policy or endorsement must be accessible and remain accessible to the insured and to the licensed insurance producer of record for as long as the policy or endorsement is in force.

~~2.~~ b. After the expiration of the policy or endorsement, the insurer must archive the expired policy or endorsement for a period of five years or other period required by law, and make the policy or endorsement available upon request.

~~3.~~ c. The policy or endorsement must be posted in a manner that enables the insured and the licensed insurance producer of record to print and save the policy or endorsement using programs and applications that are widely available on the internet and free to use.

~~4.~~ d. The insurer must provide the following information in, or simultaneously with, each declarations page provided at the time of issuance of the initial policy and any renewal of that policy:

~~α.~~ (1) A description of the exact policy or endorsement purchased by the insured.

~~β.~~ (2) A ~~method by which the insured may obtain~~ description of the insured's right to receive, upon request and without charge, a paper copy of the insured's policy or endorsement by mail.

~~γ.~~ (3) An internet address where the insured's policy or endorsement is posted.

e. The insurer, upon request and without charge, must deliver a paper copy of the policy or endorsements to the insured by mail.

~~δ.~~ f. The insurer must provide notice, in the format preferred by the insured, of any changes to the policy or endorsement, the insured's right to obtain, upon request and without charge, a paper copy of such policy or endorsement, and the internet address where such policy or endorsement is posted.

2. Nothing in [this section](#) shall be construed to affect the timing or content of any notice or document required to be provided or made available to any insured under applicable law.

Sec. 8. Section 522B.11, subsection 7, paragraph e, Code 2015, is amended by striking the paragraph and inserting in lieu thereof the following:

e. An insurance producer owes any duties and responsibilities referred to in [this subsection](#) only to the policy owner, a person in privity of contract with the insurance producer, and the principal in an agency relationship with the insurance producer. If a person to whom an insurance producer owes duties and responsibilities is deceased or incapacitated, a direct and specifically identified beneficiary referenced in a written instrument required by the insurer and delivered to the insurance producer prior to the death or incapacity may enforce the insurance producer's duties and responsibilities. An insurance producer does not owe any duty or responsibility to a person who was a direct and specifically identified beneficiary if the policy owner changes the beneficiary in the manner required by the policy or contract to remove the person as a beneficiary.

Approved May 22, 2015