

*INSURANCE AGENTS*CHAPTER 10
LICENSING OF INSURANCE PRODUCERSDIVISION I
LICENSING OF INSURANCE PRODUCERS**191—10.1(79GA,SF276) Purpose and authority.**

10.1(1) The purpose of these rules is to set out the requirements, procedures and fees relating to the qualification, licensure and appointment of insurance producers.

10.1(2) These rules are authorized by Iowa Code section 505.8 and are intended to implement Iowa Code chapters 252J and 261 and 2001 Iowa Acts, Senate File 276.

191—10.2(79GA,SF276) Definitions.

“Amended license” means an insurance producer license that has had a line of authority added or deleted since the issue date of the prior insurance producer license.

“Appointment” means a notification filed with the division that an insurer has established an agency relationship with an insurance producer. A company filing such a request must verify that the producer is licensed for the appropriate line(s) of authority.

“Birth month” means the month in which an insurance producer was born.

“Business entity” means a corporation, association, partnership, limited liability company, limited liability partnership or other legal entity.

“CE” means continuing education.

“CE term” means the three-year period ending on December 31 prior to the producer’s renewal year.

“CSAC” means college student aid commission.

“CSRU” means child support recovery unit.

“Division” means the Iowa insurance division.

“Duplicate license” means an insurance producer license reissued due to name change, address change or loss of license.

“Home state” means the District of Columbia and any state or territory of the United States in which an insurance producer maintains the producer’s principal place of residence or principal place of business and is licensed to act as an insurance producer.

“Individual” means a private or natural person, as distinguished from a partnership, corporation or association.

“Insurance” means any of the lines of insurance listed in subrule 10.7(1).

“Insurance producer” means a person required to be licensed in this state to sell, solicit or negotiate insurance.

“Insurance producer license application form” means the form prescribed by the division to be used to apply for an insurance producer license.

“Letter of certification” means a letter or electronic verification obtained through the National Association of Insurance Commissioners (NAIC) producer database system (PDB) issued by the insurance commissioner of a producer’s home state which certifies the status, current lines of authority and continuing education compliance of the producer’s insurance license in the home state.

“License” means a document issued by the division which authorizes a person to act as an insurance producer for the lines of insurance specified in the document.

“*License information bulletin*” means a brochure issued annually which describes the insurance license application and testing process and which can be obtained from the outside testing service on contract with the division.

“*License number*” means either the unique number assigned to a licensee by the division or the national insurance producer registry number issued to all licensees whose license records exist on the producer database.

“*Negotiate*” means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract provided that the person engaged in that act either sells insurance or obtains insurance for purchasers.

“*Nonresident*” means a person whose home state is not Iowa.

“*Notification*” means a written or electronic communication from an insurance producer to the division.

“*Person*” means an individual or a business entity.

“*Producer database*” or “*PDB*” means the national database of insurance producers maintained by the National Association of Insurance Commissioners (NAIC), its affiliates or subsidiaries.

“*Producer renewal notice*” means a written or electronic communication issued by the division to inform an insurance producer about license renewal.

“*Renewal year*” means the third year following the issuance or last renewal of an insurance producer license.

“*Resident*” means a person whose home state is Iowa.

“*Sell*” means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

“*Solicit*” or “*solicitation*” means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

“*Termination*” means that an insurer has ended its agency relationship with an insurance producer.

“*Termination for cause*” means that an insurer has ended its agency relationship with an insurance producer for one of the reasons set forth in 2001 Iowa Acts, Senate File 276, section 25.

“*Uniform application*” means the National Association of Insurance Commissioners’ uniform application for resident and nonresident insurance producer licensing, as it appears on the NAIC Web site.

“*Uniform business entity application*” means the National Association of Insurance Commissioners’ uniform business entity application for resident and nonresident business entities, as it appears on the NAIC Web site.

191—10.3(79GA,SF276) Requirement to hold a license.

10.3(1) No person may sell, solicit or negotiate insurance in Iowa until that person has been issued an Iowa insurance producer license.

10.3(2) A person offering to the public, for a fee or commission, to engage in the business of offering any advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised under any policy of insurance must be licensed as insurance producer.

10.3(3) A person shall not advise an Iowa resident to cancel, not renew, or otherwise change an existing insurance policy unless that person holds an Iowa insurance producer license regarding the line of insurance for which the advice is given. This subrule shall not apply to a licensed attorney or certified public accountant who does not sell or solicit insurance.

10.3(4) The license itself does not provide the producer with any authority to represent or commit an insurer.

191—10.4(79GA,SF276) Licensing of resident producers.

10.4(1) A person whose home state is Iowa and who desires to be licensed as an insurance producer must satisfy the following requirements:

- a.* Be at least 18 years of age,
- b.* Have not committed any act that is grounds for denial under subrule 10.20(4),
- c.* Submit a completed uniform application,
- d.* Pass an examination in the line of authority sought, and
- e.* Pay the appropriate insurance producer license fee.

10.4(2) Examinations are conducted by the outside testing service on contract with the division. Applications and fees for examinations and for initial producer licensing are submitted to the outside testing service. An applicant may request express processing of the application with payment of the appropriate fee set forth in rule 10.25(79GA,SF276).

10.4(3) An application is valid for 90 days after the date the outside testing service receives a properly completed application. If an applicant is unable to pass the necessary examinations within 90 days, all but \$10 of the license fee will be returned.

10.4(4) Examination results are valid for 90 days after the date of the test. Failure to apply for licensure within 90 days after the examination is passed shall void the examination results.

10.4(5) Any licensed insurance producer desiring to become licensed in an additional line of authority shall:

- a.* Submit a completed uniform application form to the division's outside testing service specifying the line(s) of authority requested to be added;
- b.* Pass an examination for each line of authority requested to be added; and
- c.* Pay the fee to amend an insurance producer license.

10.4(6) Qualification in personal lines is a prerequisite for obtaining the commercial lines line of authority. Qualification in both the personal and commercial lines is a prerequisite to obtaining the surplus lines line of authority.

10.4(7) To receive a license for the variable products line of authority, the applicant must:

- a.* Hold an active Iowa insurance license with a life insurance line of authority;
- b.* Pass the examinations necessary to obtain an Iowa securities license; and
- c.* File an application with the division to amend the license to add the variable products line of authority.

10.4(8) The division may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive an insurance producer license.

191—10.5(79GA,SF276) Licensing of nonresident producers.

10.5(1) A producer for whom Iowa is not the home state who desires to sell, solicit or negotiate insurance in Iowa must satisfy the following requirements to obtain an Iowa nonresident insurance producer license:

- a.* Be licensed and in good standing in the home state;
- b.* Submit a copy of the completed home state application or a completed uniform application to the division;
- c.* Submit a proper request for licensure to the division;
- d.* If the applicant's home state is not actively participating in the producer database, submit a letter of certification; and
- e.* Pay the appropriate fee.

10.5(2) Any licensed nonresident producer desiring to become licensed in an additional line of authority shall submit to the division:

- a. A completed application form specifying the line(s) of authority requested to be added;
- b. If the applicant's home state is not actively participating in the producer database, submit a letter of certification; and
- c. The appropriate fee.

10.5(3) A license will not be issued to a nonresident producer if the producer's resident state does not issue licenses to Iowa resident producers applying for nonresident producer licenses in that state or if the producer's resident state restricts Iowa resident producers' nonresident activities in that state.

10.5(4) The division may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive an insurance producer license.

191—10.6(79GA,SF276) Issuance of license.

10.6(1) An insurance producer license shall remain in effect for a term of three years, unless revoked or suspended, and may be continually renewed as long as the proper fees are paid and home state continuing education requirements are met.

10.6(2) An individual insurance producer whose license has lapsed may seek reinstatement as set forth in rule 10.9(79GA,SF276).

10.6(3) The license shall contain the producer's name, address, license number, date of issuance, date of expiration, the line(s) of authority held and any other information the division deems necessary.

191—10.7(79GA,SF276) License lines of authority.

10.7(1) The following lines of authority are available for issuance in Iowa:

<u>Number</u>	<u>Authority</u>
4	Crop
5	Surety
6	Accident and health (insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income)
7	Life (insurance coverage on human lives including benefits of endowment, annuities, equity indexed products, may include benefits in event of death or dismemberment by accident and benefits for disability income)
9	Variable life/variable annuity products (insurance coverage provided under variable life insurance contracts and variable annuities)
16	Personal lines (fire, casualty and auto insurance sold to individuals or families)
17	Commercial lines (fire, casualty and auto insurance sold to businesses) (prerequisite is authority 14 or 16)
18	Credit (offered in connection with an extension of credit to extinguish a credit obligation)
20	Excess and surplus lines (prerequisite is authority 14 or 16 and 17)
21	Property (coverage for the direct or consequential loss or damage to property of any kind)
22	Casualty (coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property)
23	Reciprocal authority (any other line of insurance issued in another state and for which Iowa grants authority to sell, solicit or negotiate in this state)

10.7(2) The following lines of authority are no longer issued in Iowa but shall remain valid so long as renewal requirements are met:

<u>Number</u>	<u>Authority</u>
1	Fire only
2	Casualty only
3	Auto only
8	County mutual
11	All but life and variable contracts
12	Life and accident and health
14	Personal lines (fire, casualty, auto, and crop insurance sold to individuals or families)
15	All but variable contracts
19	Legal expense
30	Nonresident property (nonresident producers who sell insurance coverage for the direct or consequential loss of or damage to property of every kind)
31	Nonresident casualty (nonresident producers who sell insurance coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property)

191—10.8(79GA,SF276) License renewal.

10.8(1) The division shall send a producer renewal notice to each licensed producer at the producer's last-known address as it appears in division records. If the division has received notification from the post office that the address of record is no longer valid, no renewal report form will be mailed.

10.8(2) Failure to renew a license and pay appropriate fees prior to the expiration date printed on the license will result in expiration of the license.

10.8(3) The division may deliver the producer renewal report electronically. If delivered electronically, the notice will be sent to the last-known electronic mail address as provided by the insurance producer.

10.8(4) Licenses may be renewed by use of the division's interactive telephone response system, electronically or by mail.

191—10.9(79GA,SF276) License reinstatement.

10.9(1) A resident producer may reinstate an expired license up to 12 months after the license expiration date by proving that during the CE term the producer met the CE requirements found in 191—Chapter 11, and by paying a reinstatement fee and license renewal fees. A resident producer who fails to apply for license reinstatement within 12 months of the license expiration date must apply for a new license.

10.9(2) A nonresident producer may reinstate an expired license up to 12 months after the expiration date by filing the appropriate form and by paying a reinstatement fee and license renewal fee. After the 12-month period, a nonresident producer must apply for a new license.

10.9(3) A producer who has surrendered a license for a nondisciplinary reason and stated an intent to exit the insurance business may file a request to reactivate the license. The request must be received at the division within 90 days of the date the license was placed on inactive status. The request will be granted if the former producer is otherwise eligible to receive the license. If the request is not received within 90 days, the producer must apply for a new license.

191—10.10(79GA,SF276) Licensing after revocation or voluntary surrender of license.

10.10(1) A producer who wishes to reactivate a license following a suspension, revocation or voluntary surrender due to a disciplinary matter must satisfactorily complete all terms of the order or agreement that caused the license to become inactive.

10.10(2) To obtain an active license, the producer must apply for a new license and pay all appropriate license fees. A resident producer may be required to successfully complete the appropriate examination(s) before a license will be issued.

191—10.11(79GA,SF276) Temporary licenses. An Iowa resident may apply for a temporary license pursuant to 2001 Iowa Acts, Senate File 276, section 24. The applicant should submit a written request to the division which includes the reason for the request and the length of time for which the temporary license is requested.

191—10.12(79GA,SF276) Letter of certification. A resident producer may request a letter of certification by submitting the following items to the division:

1. A written request including the producer's name, license number, and the name of the state for which the letter of certification is sought;
2. A self-addressed stamped envelope; and
3. The appropriate fee.

191—10.13(79GA,SF276) Change in name, address or state of residence.

10.13(1) If a producer's name is changed, the producer must file notification with the division within 30 days of the change. The notification must include the producer's:

- a. Prior name;
- b. License number; and
- c. New name.

Notification may be filed via electronic mail to producer.licensing@iid.state.ia.us.

10.13(2) Address change. If a resident or nonresident producer's address is changed, the producer must file notification with the division within 30 days of the address change. The notification must include the producer's:

- a. Name;
- b. License number;
- c. Previous address; and
- d. New address.

Notification may be filed via electronic mail to producer.licensing@iid.state.ia.us.

10.13(3) A nonresident insurance producer who moves from one state to another state or an Iowa resident producer who moves to another state and wishes to retain an Iowa insurance producer license must file a change of address with the division and provide a certification from the new resident state within 30 days of the change of legal residence. No fee or license application is required. If the new resident state is actively participating in the producer database, a letter of certification is not required. A nonresident licensed insurance producer who moves to Iowa and wishes to retain the nonresident's insurance license must file a change of address with the division within 90 days of the change of legal residence.

10.13(4) Issuance of an Iowa nonresident insurance producer license is contingent on proper licensure in the nonresident insurance producer's home state. Termination of the producer's resident license will be deemed termination of the Iowa nonresident insurance producer license unless the producer timely files a change of address pursuant to this rule.

191—10.14(79GA,SF276) Reporting of actions.

10.14(1) A producer shall report to the division any actions required to be reported by 2001 Iowa Acts, Senate File 276, section 30.

10.14(2) A producer shall report to the division all CSAC or CSRU actions taken under or in connection with Iowa Code chapter 261 or 252J and all court orders entered in such actions.

10.14(3) Failure to file reports required by this rule is a violation of this chapter and will subject producers to penalty pursuant to rule 191—10.20(79GA,SF276).

191—10.15(79GA,SF276) Commissions and referral fees.

10.15(1) An insurance company shall not pay, and a person shall not accept, any commission, service fee, brokerage or other valuable consideration unless the person performing the service held a valid license for the line of insurance for which the service was rendered at the time the service was performed.

10.15(2) A producer may assign commissions to an entity organized for the purpose of operating that producer's insurance business if all of the entity's representatives who personally sell, solicit or negotiate insurance in Iowa are individually licensed as producers under Iowa law.

10.15(3) An insurer or a producer may pay a nominal fee for referrals if the same fee is paid for each referral whether or not the referral results in an insurance transaction.

10.15(4) An insurer or a producer may not charge an additional fee for services that are customarily associated with the sale, solicitation, negotiation and servicing of an insurance policy. This prohibition does not apply to assigned risk and commercial property/casualty policies. Any fees or other charges that are assessed to an insurance consumer must be fully disclosed.

10.15(5) A person who is not engaged in any activities in Iowa that require an insurance producer license in Iowa is not required to maintain an active insurance producer license in order to receive override or hierarchy commissions or to receive renewal commissions earned while the producer was actively engaged in activities that required an insurance producer license.

191—10.16(79GA,SF276) Appointments.

10.16(1) Insurers are required to file appointments with the division for each insurance producer with which the producer has an agency relationship. The determination of whether an insurer and an insurance producer have an agency relationship will be made by the division based on the totality of the circumstances surrounding the business relationship. Appointments are not issued for business entities.

10.16(2) Appointments must be filed using the NAIC Uniform Appointment/Termination Form or such other form approved by the division. Electronic filings must follow the format of the uniform form.

10.16(3) The notice of appointment must be filed within 30 days of the date the insurer and producer execute an agency contract or the first insurance application is submitted to the insurer.

10.16(4) Insurers with 100 or more active appointments on January 1, 2002, will be required to transition their appointment filing process to electronic means no later than July 1, 2002. All appointments filed on or after January 1, 2003, must be filed electronically. The division may, for good cause, grant an insurer a waiver or additional time to comply with this subrule.

10.16(5) Appointment fees are set forth in rule 10.25(79GA,SF276). A billing statement will be submitted to insurance companies on a monthly basis and payment is due within 45 days. The failure to timely pay appointment billing statements may subject an insurer to late fees or other sanctions.

10.16(6) The division may adopt special appointment filing procedures to allow an insurer to file one appointment request that will appoint a producer to some or all of the affiliated insurance companies that comprise a holding company.

10.16(7) When a company loses its identity in a new company by merger, acquisition, or otherwise, the new company must contact the licensing bureau to arrange for reappointment of the producers to the remaining company.

191—10.17(79GA,SF276) Appointment renewal.

10.17(1) On or about January 2 of each year, the division shall provide a list of the producers currently appointed with each insurance company and a billing statement. The billing statement may not be altered, amended or used for appointing or terminating producers.

10.17(2) Payment is due at the division on or before March 1 and must include the billing statement. Renewals received after March 1 will be subject to a late filing fee.

10.17(3) Failure to pay renewal appointment fees by March 15 will result in termination of a company's appointments. Appointments that are terminated due to nonpayment of renewal fees may be reinstated upon payment of a reinstatement fee.

10.17(4) Effective January 1, 2003, renewal lists and billing statements will be delivered to insurers by electronic means which may include a system administered by the National Association of Insurance Commissioners or its affiliates or subsidiaries. By special arrangement with the division, insurers may complete the appointment renewal process via electronic processes. This may include a system administered by the National Association of Insurance Commissioners or its affiliates or subsidiaries.

191—10.18(79GA,SF276) Appointment terminations.

10.18(1) When an insurance company terminates its relationship with a producer, the company shall notify the division using the NAIC Uniform Appointment/Termination Form or such other form approved by the division. Electronic filings must follow the format of the uniform form. The termination must be filed within 30 days of the date the insurer terminated its agency relationship with the producer. The company shall also notify the producer that the producer's appointment has been canceled.

10.18(2) There is no fee for the filing of an appointment termination.

10.18(3) Insurers with 100 or more active appointments on January 1, 2002, will be required to transition their termination filing process to electronic means no later than July 1, 2002. All terminations filed on or after January 1, 2003, must be filed electronically. The division may, for good cause, grant an insurer a waiver or additional time to comply with this subrule.

10.18(4) The division may adopt special procedures for the filing of termination requests for a group of affiliated insurance companies that comprise a holding company.

10.18(5) When an insurer terminates an appointment for cause pursuant to 2001 Iowa Acts, Senate File 276, section 28(1), the notification of termination may be filed according to subrule 10.18(1). The supporting documents required by 2001 Iowa Acts, Senate File 276, section 28(1), shall be submitted to the division within ten days of the filing of the notification. The documents shall include a certification by an officer or authorized representative of the insurer.

191—10.19(79GA,SF276) Licensing of a business entity.

10.19(1) Application. A business entity may apply for an Iowa insurance license. For purposes of this rule, upon approval of an application by the division, the business entity shall be classified as a producer and shall be subject to all standards of conduct and reporting requirements applicable to producers.

10.19(2) Requirements. To qualify for such a license, the business entity must:

- a. File a completed uniform business entity application;
- b. Designate one officer, owner, partner, or member of the business entity, which person also is a producer licensed by the division, as the person who will have full responsibility for the conduct of all business transactions of the business entity or of insurance producers affiliated with the business entity;
- c. For a nonresident business entity, if the applicant's home state is not actively participating in the producer database, file a current certification of business entity licensure from the insurance commissioner for the business entity's home state or, if the home state does not license business entities, file a request for a waiver of this requirement;

- d. Pay the license fee;
- e. Provide the legal or trade name of the business entity and all business names, trade names, service marks, marketing names or other names under which the business entity may operate.

10.19(3) License term. A business entity license issued under this rule shall be effective for three calendar years, including the year of application; and all business entity licenses shall expire on December 31 of the third calendar year.

10.19(4) License renewal. The division shall mail a renewal notice to the address of the business entity on file with the division on or before December 1. The renewal notice and renewal fee must be received by the division on or before December 31. By arrangement with the division, renewal notices may be issued and submitted electronically.

10.19(5) License reinstatement. Business entity licenses may be reinstated by payment of the renewal fee and a \$100 reinstatement fee. Business entities that fail to complete the reinstatement process by January 31 following expiration must submit an application for a new license.

10.19(6) Business address. Business entities licensed under this rule must maintain a current business address with the division. If a business entity's address is changed, notification from the designated responsible producer must be submitted to the division within 30 days of the address change, stating:

- a. Name of the business entity;
- b. License number;
- c. Previous address; and
- d. New address.

The notification may be sent by electronic mail to producer.licensing@iid.state.ia.us.

10.19(7) Business name. A business entity licensed under this rule must keep the division informed of its business name. If a business entity changes the name under which it is operating, notification from the designated responsible producer must be submitted to the division within 30 days of the name change. The notification may be sent by electronic mail to producer.licensing@iid.state.ia.us.

191—10.20(79GA,SF276) Violations and penalties.

10.20(1) A producer who sells, solicits or negotiates insurance, directly or indirectly, in violation of this chapter shall be deemed to be in violation of 2001 Iowa Acts, Senate File 276, section 16, and subject to the penalties provided in 2001 Iowa Acts, Senate File 276, section 31.

10.20(2) A person who sells, solicits or negotiates insurance, directly or indirectly, who is not properly licensed as a producer is subject to the penalties provided in Iowa Code chapter 507A and 2001 Iowa Acts, Senate File 276, section 31.

10.20(3) Any company or company representative who aids and abets a producer in the above-described violation shall be deemed to be in violation of 2001 Iowa Acts, Senate File 276, section 16, and subject to the penalties provided in 2001 Iowa Acts, Senate File 276, section 31.

10.20(4) The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a producer's license or may levy a civil penalty, in accordance with 2001 Iowa Acts, Senate File 276, section 31, or any combination of actions, for any action listed in 2001 Iowa Acts, Senate File 276, section 25, and any one or more of the following causes:

- a. Submitting to the division or to the outside testing service on contract with the division a check which is returned to the division by a bank without payment, or submitting a payment to the division by credit card which the credit card company does not approve, or canceling or refusing amounts charged to a credit card by the outside testing service on contract with the division where services were received by the producer;
- b. Failing to report any administrative action or criminal prosecution taken against the producer or failure to report the termination of a resident insurance producer license;

- c. Acting as an insurance producer through persons not licensed as insurance producers; or
- d. Taking any action to circumvent the spirit of these rules and the Iowa insurance statutes or any other action that shows noncompliance with the requirements of 2001 Iowa Acts, Senate File 276, or these rules.

10.20(5) In the event that the division denies a request to renew an insurance producer license or denies an application for an insurance producer license, the commissioner shall notify the producer or applicant of the denial or failure to renew in writing, including the reason therefor. The producer or applicant may request a hearing within 30 days of receipt of the notice to determine the reasonableness of the division's action. The hearing shall be held within 30 days of the date of the receipt of the written demand by the applicant and shall be held pursuant to 191—Chapter 3.

10.20(6) The license of a business entity may be suspended, revoked or refused if the commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the entity and the violation was neither reported to the insurance division nor was corrective action taken.

191—10.21(252J) Suspension for failure to pay child support.

10.21(1) Upon receipt of a certificate of noncompliance from the child support recovery unit (CSRU), the commissioner shall issue a notice to the producer that the producer's pending application for licensure, pending request for renewal, or current license will be suspended 30 days after the date of the notice. Notice shall be sent to the producer's last-known address by regular mail.

10.21(2) The notice shall contain the following items:

- a. A statement that the commissioner intends to suspend the producer's application, request for renewal or current insurance license in 30 days;
- b. A statement that the producer must contact the CSRU to request a withdrawal of the certificate of noncompliance;
- c. A statement that the producer's application, request for renewal or current license will be suspended if the certificate of noncompliance is not withdrawn;
- d. A statement that the producer does not have a right to a hearing before the division, but that the producer may file an application for a hearing in district court pursuant to Iowa Code section 252J.9;
- e. A statement that the filing of an application with the district court will stay the proceedings of the division;
- f. A copy of the certificate of noncompliance.

10.21(3) The filing of an application for hearing with the district court will stay all suspension proceedings until the division is notified by the district court of the resolution of the application.

10.21(4) If the division does not receive a withdrawal of the certificate of noncompliance from the CSRU or a notice from a clerk of court that an application for hearing has been filed, the division shall suspend the producer's application, request for renewal or current license 30 days after the notice is issued.

10.21(5) Upon receipt of a withdrawal of the certificate of noncompliance from the CSRU, suspension proceedings shall halt and the named producer shall be notified that the proceedings have been halted. If the producer's license has already been suspended, the license shall be reinstated if the producer is otherwise in compliance with division rules. All fees required for license renewal or license reinstatement must be paid by producers and all continuing education requirements must be met before an insurance producer license will be renewed or reinstated after a license suspension or revocation pursuant to this subrule.

191—10.22(261) Suspension for failure to pay student loan.

10.22(1) The division shall deny the issuance or renewal of an insurance producer license upon receipt of a certificate of noncompliance from the college student aid commission (CSAC) according to the procedures set forth in Iowa Code sections 261.126 and 261.127. In addition to the procedures contained in those sections, this rule shall apply.

10.22(2) Upon receipt of a certificate of noncompliance from the CSAC according to the procedures set forth in Iowa Code sections 261.126 and 261.127, the commissioner shall issue a notice to the producer that the producer's pending application for licensure, pending request for renewal, or current license will be suspended 30 days after the date of the notice. Notice shall be sent to the producer's last-known address by restricted certified mail, return receipt requested, or by personal service in accordance with the Iowa Rules of Civil Procedure. Alternatively, the applicant or licensed producer may accept service personally or through authorized counsel.

10.22(3) The notice shall contain the following items:

a. A statement that the commissioner intends to suspend the producer's application, request for renewal or current insurance license in 60 days;

b. A statement that the producer must contact the CSAC to request a withdrawal of the certificate of noncompliance;

c. A statement that the producer's application, request for renewal or current insurance producer license will be suspended if the certificate of noncompliance is not withdrawn or, if the current license is on suspension, a statement that the producer's current insurance producer license will be revoked;

d. A statement that the producer does not have a right to a hearing before the division, but that the producer may file an application for a hearing in district court pursuant to Iowa Code section 261.127;

e. A statement that the filing of an application with the district court will stay the proceedings of the division;

f. A copy of the certificate of noncompliance.

10.22(4) The effective date of revocation or suspension of an insurance producer license, as specified in the notice required by Iowa Code section 261.126, shall be 60 days following service of the notice upon the applicant or registrant.

10.22(5) In the event an applicant or licensed producer timely files a district court action following service of a division notice pursuant to Iowa Code section 261.127, the division's suspension proceedings will be stayed until the division is notified by the district court of the resolution of the application. Upon receipt of a court order lifting the stay, or otherwise directing the division to proceed, the division shall continue with the intended action described in the notice. For purposes of determining the effective date of the denial of the issuance or renewal of an insurance producer license, the division shall count the number of days before the action was filed and the number of days after the court disposed of the action.

10.22(6) If the division does not receive a withdrawal of the certificate of noncompliance from the CSAC or a notice from a clerk of court that an application for hearing has been filed, the division shall suspend the producer's application, request for renewal or current insurance producer license 60 days after the notice is issued.

10.22(7) Upon receipt of a withdrawal of the certificate of noncompliance from the CSAC, suspension proceedings shall halt and the named producer shall be notified that the proceedings have been halted. If the producer's insurance license has already been suspended, the license shall be reinstated if the producer is otherwise in compliance with division rules. All fees required for license renewal or license reinstatement must be paid by producers and all continuing education requirements must be met before an insurance producer license will be renewed or reinstated after a license suspension or revocation pursuant to Iowa Code section 261.126.

10.22(8) The division shall notify the producer in writing through regular first-class mail, or such other means as the division deems appropriate in the circumstances, within ten days of the effective date of the suspension or revocation of an insurance producer license, and shall similarly notify the producer when the insurance producer license is reinstated following the division's receipt of a withdrawal of the certificate of noncompliance.

10.22(9) Notwithstanding any statutory confidentiality provision, the division may share information with the CSAC for the sole purpose of identifying producers subject to enforcement under Iowa Code chapter 261.

191—10.23(79GA,SF276) Administration of examinations.

10.23(1) The division will enter into a contractual relationship with an outside testing service to provide the licensing examinations for all lines of authority which require an examination.

10.23(2) The outside testing service will administer all examinations for license applicants.

10.23(3) Any contract to implement subrule 10.23(1) shall require the outside testing service to:

- a. Update, on a continual basis, the licensing examinations;
- b. Ensure that the examinations are job-related;
- c. Adequately inform the applicants of the procedures and requirements for taking the licensing examinations;
- d. Prepare and administer examinations for all lines listed in subrule 10.7(1), except variable contracts; and
- e. Conform to division guidelines and report to the division on at least a quarterly basis.

191—10.24(79GA,SF276) Forms. An original of each form necessary for the producer's licensure, appointment and termination may be requested from the division or downloaded from the division's Web site and exact, readable, high-quality copies may be made therefrom. A self-addressed, stamped envelope must be submitted with each request.

191—10.25(79GA,SF276) Fees.

10.25(1) The fee for an examination shall be set by the outside testing service under contract to the division and approved by the division.

10.25(2) The express processing fee for resident producer license applications shall be set by the outside testing service under contract to the division and approved by the division.

10.25(3) The fee for issuance or renewal of an insurance producer license is \$50 for three years.

10.25(4) The fee for issuance or renewal of a business entity license is \$50 for three years.

10.25(5) The fee for reinstatement of an insurance producer or business entity license is a total of the renewal fee plus \$100.

10.25(6) The fee for issuance of an amended or duplicate license is \$10.

10.25(7) The fee for issuance of a letter of certification is \$5.

10.25(8) The fee for an appointment or the renewal of an appointment is \$5 for each producer appointed to a domestic company. The fee for appointment or renewal of each producer appointed to foreign company is the fee charged by the state of domicile.

10.25(9) The total late fee for filing appointment renewals shall be double the renewal fee. The fee to reinstate appointments that were canceled for failure to renew shall be the late fee plus \$100.

10.25(10) The division may charge a reasonable fee for the compilation and production of producer licensing records.

These rules are intended to implement Iowa Code chapters 252J and 261 and 2001 Iowa Acts, Senate File 276.

191—10.26 to 10.50 Reserved.

DIVISION II
LICENSING OF CAR RENTAL COMPANIES AND EMPLOYEES
(Effective March 15, 2000)

191—10.51(522A) Purpose. The purpose of these rules is to govern the qualifications and procedures for the licensing of car rental companies and counter employees and to set out the requirements, procedures and fees relating to the qualification and licensure of car rental companies and counter employees.

191—10.52(522A) Definitions.

“*Counter employee*” means a person at least 18 years of age employed by a rental company that offers the products described in this chapter.

“*Counter Employee Application*” means the form used by an individual to apply for a counter employee license.

“*Division*” means the Iowa insurance division.

“*Filed*” means received at the Iowa insurance division.

“*Limited Licensee Application*” means the form used by a rental company to apply for a limited license.

“*Rental company*” means any person or entity in the business of primarily providing vehicles intended for the private transportation of passengers to the public under a rental agreement for a period not to exceed 90 days.

“*Vehicle*” means a motor vehicle under Iowa Code section 321.1 used for the private transportation of passengers, including passenger vans, minivans and sport utility vehicles or used for the transportation of cargo with a gross vehicle weight of less than 26,001 pounds and not requiring the operator to possess a commercial driver’s license, including cargo vans, pickup trucks and trucks.

191—10.53(522A) Requirement to hold a license.

10.53(1) A rental company that desires to offer or sell insurance in connection with the rental of a vehicle must file an application with the division and receive a license as a limited licensee.

10.53(2) A counter employee who desires to offer or sell insurance products must file an application with the division and receive a license as a counter employee.

191—10.54(522A) Limited licensee application process.

10.54(1) To obtain a limited licensee license, a person or entity must file a complete limited licensee license application with the division and pay a fee of \$50 for a three-year license.

10.54(2) If the application is approved, the division will issue a limited licensee license.

191—10.55(522A) Counter employee licenses.

10.55(1) A person may not obtain a counter employee license unless that person is employed by a limited licensee.

10.55(2) To obtain a counter employee license, a person must file with the division a completed counter employee license application.

10.55(3) All persons who desire to obtain a counter employee license must first successfully complete an examination.

10.55(4) Examinations shall be administered by the limited licensee that employs the counter employee.

10.55(5) If the application is approved, the division will issue a three-year counter employee license. Applications are deemed approved if not disapproved by the division within 30 days of receipt at the division.

10.55(6) The counter employee license will automatically terminate when the counter employee ceases employment with a limited licensee.

191—10.56(522A) Duties of limited licensees.

10.56(1) A limited licensee is responsible for the training, examination and payment of license fees for all persons who desire to obtain a counter employee license with the limited licensee.

10.56(2) A limited licensee must obtain and administer an examination for all counter employee candidates. The content of the examination and the manner of its administration must be approved by the division.

10.56(3) The limited licensee must develop a system for examination content security.

10.56(4) The limited licensee must administer the counter employee examination under controlled conditions, approved by the division, that ensure that each candidate completes the examination without outside assistance or interference.

10.56(5) The limited licensee must notify the division of the termination of employment of any of its licensed counter employees. The limited licensee must file reports of terminations semiannually on July 1 and on January 1.

191—10.57(522A) License renewal.

10.57(1) All limited licensee and counter employee licenses will be issued with an expiration date of December 31 and must be renewed triennially.

10.57(2) A single renewal form for use in renewing the limited licensee's license and the licenses of all of its counter employees will be mailed to the limited licensee at its last-known address as shown on division records.

10.57(3) The limited licensee must complete and return the renewal form to the division on or before December 31 of the renewal year or all licenses listed on the renewal form will expire.

10.57(4) The fee for renewal of a limited licensee license is \$50 and the fee to renew each individual counter employee license is \$50.

191—10.58(522A) Limitation on fees. A limited licensee will not be required to pay more than \$1,000 in license or renewal fees in any one calendar year.

191—10.59(522A) Change in name or address.

10.59(1) Limited licensees must file written notification with the division of a change in name or address within 30 days of the change. This requirement applies to any change in any locations at which the limited licensee is doing business.

10.59(2) Limited licensees must file written notification with the division of a change in name or address of licensed counter employees. If the change of name is by a court order, a copy of the order must be included with the request. The limited licensee must file reports of name and address changes semiannually on July 1 and on January 1.

191—10.60(522A) Violations and penalties.

10.60(1) A rental company or counter employee that sells insurance in violation of this chapter shall be deemed to be in violation of Iowa Code Supplement chapter 522A and subject to the penalties provided in Iowa Code Supplement section 522A.3.

10.60(2) A limited licensee or licensed counter employee who commits an unfair or deceptive trade practice in violation of Iowa Code chapter 507B, or in violation of administrative rules adopted which implement that chapter, is subject to the penalties provided for in Iowa Code chapter 507B.

Rules 10.51(522A) to 10.60(522A) are intended to implement Iowa Code Supplement chapter 522A.

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