

Commerce
Palmer, Chairperson
Curtis
Bisenius

FILED JAN 27 1978

By CULVER

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to accident and health insurance policies,
2 and providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section five hundred seven B point four
2 (507B.4), Code 1977, is amended by adding the following new
3 subsection:

4 NEW SUBSECTION. Selling, offering for sale, delivering
5 or issuing for delivery in this state any policy of accident
6 and sickness insurance as defined in section five hundred
7 fourteen A point one (514A.1) of the Code, which contains
8 any insurance or indemnity benefit, whether as primary coverage
9 or as supplemental coverage, for loss incurred as a result
10 of expenses for health care provided by a skilled nursing
11 facility as defined in subsection three (3) of section one
12 hundred thirty-five C point one (135C.1) of the Code.

13 Sec. 2. Section five hundred fourteen A point three
14 (514A.3), subsection one (1), Code 1977, is amended by adding
15 the following new lettered paragraph:

16 NEW LETTERED PARAGRAPH. A provision as follows:

17 RIGHT TO RETURN POLICY. The insured has the right, within
18 thirty days after receipt of this policy, to return it to
19 the company at its home office or branch office or to the
20 agent through whom it was purchased, and if so returned the
21 premium paid will be refunded and the policy will be void
22 from the beginning and the parties shall be in the same
23 position as if a policy had not been issued.

24 Sec. 3. This Act shall take effect January 1, 1979.

25 EXPLANATION

26 This bill would amend the law with respect to accident
27 and sickness insurance policies as follows:

28 Section 1 provides that it is an unfair or deceptive act
29 or practice to sell policies providing primary or supplemental
30 benefits for health care rendered in a skilled nursing facility
31 as defined in section 135C.1 of the Code.

32 Section 2 provides that every policy delivered or issued
33 for delivery in this state must give the insured the right
34 to return the policy within 30 days of delivery and receive
35 a refund of any premium paid. If returned, the affect would
36 be the same as if a policy had not been issued.