

INSURANCE AGENTS

CHAPTER 10
LICENSING OF INSURANCE PRODUCERSDIVISION I
LICENSING OF INSURANCE PRODUCERS**191—10.1(522) Purpose and authority.**

10.1(1) The purpose of these rules is to govern the qualifications and procedures for the licensing of insurance producers and 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 522.

191—10.2(522) Definitions.

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

“Appointment” means a request by a licensed insurance company to register a licensed insurance producer as a representative of that company. A company filing such a request must have or intend to have a contractual relationship with the producer and must verify that the producer is licensed for the appropriate qualification(s).

“Appointment form” means the NAIC Midwest Zone Uniform Request for Company Appointment/Cancellation form or such other form as designated by the division.

“CE” means continuing education.

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

“CSAC” means college student aid commission.

“Division” means the Iowa insurance division.

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

“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 agency” means any partnership, corporation, or limited liability company, or other entity that has been issued a federal tax identification number for whom producers transact or do business with the public or insurance companies, but shall not mean a natural person.

“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 resident state which certifies the status, current qualifications and continuing education compliance of the producer’s insurance license in the resident state.

“Letter of clearance” means a letter or electronic verification issued by a commissioner which certifies that the named producer was formerly licensed in that state, lists the qualifications previously held by the producer and states that the producer is clear to obtain a resident producer license in the state of the producer’s new residence.

“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. The license itself does not provide the producer with any authority to represent or bind an insurance carrier.

“*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.

“*Nonresident*” means a person residing permanently in a state other than Iowa.

“*Person*” means a natural person, corporation, association, partnership or other legal entity as distinguished from an individual.

“*Producer*” means a person required to obtain an insurance license under Iowa Code section 522.1.

“*Producer renewal report*” includes:

1. The form issued by the division with which producers apply for renewal of a producer license and verify CE credits on file with the division;
2. The continuing education fee described in rule 191—11.14(272C);
3. The license fee set forth in rule 10.25(522); and
4. A letter of certification (nonresidents only).

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

“*Resident*” means a person residing permanently in Iowa.

“*Resident state*” means the state or district in which a producer resides.

“*Retaliatory fee*” means a fee equal to the fee which a nonresident person would be charged by such person’s state of residence if that person were a resident of Iowa making application for a license in that state.

“*Termination*” means cancellation of the relationship between the producer and the insurer or the end of the insurance producer license term.

191—10.3(522) Requirement to hold a license.

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

10.3(2) A person shall not, for a fee, engage in the business of offering advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages under a policy of insurance that could be issued in Iowa, unless that person holds an Iowa insurance producer license.

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.

10.3(4) This rule does not apply to:

- a. A licensed attorney providing surety bonds incident to the attorney’s practice.
- b. A producer appointed to represent a fraternal benefit society as stipulated under Iowa Code section 512B.31.
- c. A person selling a ticket for transportation by a common carrier when the person also sells, in connection with and related to the transportation ticket, a trip accident insurance policy or an insurance policy on personal effects being carried as luggage.

191—10.4(522) Licensing of resident producers.

10.4(1) A person residing in the state of Iowa who desires to sell insurance in Iowa must satisfy the following requirements to obtain an Iowa resident insurance producer license:

- a.* Be at least 18 years of age,
- b.* Be of good character and competency,
- c.* Submit a completed insurance license application form,
- d.* Pass an examination in the area of qualification sought,
- e.* Pay the appropriate insurance producer license fee, and
- f.* If the person was previously licensed as an insurance producer in another state within the past five years, submit a letter of clearance from the last state in which the person held an insurance license.

10.4(2) Any Iowa-licensed nonresident insurance producer who moves to this state and wishes to obtain an Iowa resident insurance producer license must:

- a.* Comply with the requirements set out in subrule 10.4(1);
- b.* Submit to the division a letter of clearance or certification from the most recent state in which the applicant held a resident license; and
- c.* Pass an Iowa laws and regulations examination or other appropriate examination as determined by the division for each of the qualifications for which the producer wishes to obtain a license.

A producer holding only the surety, crop or credit accident, health and life qualification shall not be required to complete an examination.

10.4(3) 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(522).

10.4(4) 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 the 90 days, all but \$10 of the license fee will be returned.

10.4(5) 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 voids the examination results.

10.4(6) Any licensed insurance producer desiring to become licensed in an additional qualification shall:

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

10.4(7) Qualification in personal lines is a prerequisite for obtaining the commercial lines qualification.

10.4(8) To receive a license for the variable contracts qualification, the applicant must:

- a.* Hold an active Iowa insurance license with a life insurance qualification;
- b.* Provide proof of an active Iowa securities license; and
- c.* File an application with the division to amend the license to add the variable contracts qualification.

If a producer's Iowa securities license terminates, the variable contract qualification automatically terminates effective the day the securities license terminates.

10.4(9) 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.

10.4(10) A person who resides in an adjacent state and who desires to obtain an Iowa insurance producer license for use solely while working in Iowa and selling insurance to Iowa residents may apply for a special resident license. Applications are filed directly with the division. Applicants must comply with all provisions of this rule. Producers licensed under this subrule are not eligible to receive a letter of certification and may be placed under special supervision restrictions by the division.

191—10.5(522) Licensing of nonresident producers.

10.5(1) A producer not residing in the state of Iowa who desires to sell insurance in Iowa shall satisfy the following requirements to obtain an Iowa nonresident insurance producer license:

- a. Be at least 18 years of age;
- b. Be of good character and competency;
- c. Submit a completed nonresident insurance license application form to the division;
- d. 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 qualification shall submit to the division:

- a. A completed application form specifying the qualifications requested to be added;
- b. A letter of certification; and
- c. The appropriate fee.

10.5(3) An Iowa nonresident insurance producer license is contingent on proper licensure in the nonresident insurance producer's resident state. Termination of the producer's resident license will be deemed the automatic termination of the Iowa nonresident insurance producer license unless the producer timely files a change of address pursuant to subrule 10.14(3).

10.5(4) Qualifications will not be issued to a nonresident producer if the producer's resident state does not issue those qualifications to Iowa resident producers applying for nonresident producer qualifications in that state or if the producer's resident state restricts Iowa resident producers' nonresident activities in that state.

10.5(5) 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(522) 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 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(522).

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

191—10.7(522) License qualifications.

10.7(1) The following qualifications are available for issuance in Iowa:

<u>Qualification Number</u>	<u>Qualification</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, variable annuities, or any other life insurance or annuity product that reflects the investment experience of a separate account)
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 qualification 14 or 16)
18	Credit accident and health and credit life
19	Legal expense
20	Excess and surplus lines (prerequisite is qualification 14 or 16 and 17)
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)

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

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

191—10.8(522) License renewal.

10.8(1) Effective January 1, 1999, all new or renewed individual insurance producer licenses will be issued with an expiration date of March 31. All licensees with an expiration date of March 31 must submit a completed producer renewal report on or before March 31 of the year in which the license expires. All licensees currently holding an insurance producer license with an expiration date of April 30 will have until April 30 of the year in which the license expires to renew that license.

10.8(2) The division shall send a producer renewal report form 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 for any reason, no renewal report form will be mailed.

10.8(3) Failure to renew a license and pay appropriate fees prior to the expiration date printed on the license will result in termination of the license.

191—10.9(522) License reinstatement.

10.9(1) A resident producer may reinstate an expired license until September 30 of the renewal year 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 fees.

10.9(2) A nonresident producer may reinstate a terminated license until September 30 of the renewal year by filing a completed producer renewal report and by paying a reinstatement fee and license renewal fee.

10.9(3) A previously licensed resident producer who does not prove compliance with the CE requirements by September 30 of the renewal year must successfully complete an examination in all qualifications for which license renewal is sought and apply for a new license. If a producer holds both a personal lines and a commercial lines qualification, the producer shall take and pass only the commercial lines examination. If a producer holds an excess and surplus lines designation, the producer shall take and pass both the commercial lines and the excess and surplus lines examinations. If a producer holds both the accident and health and the life insurance qualification, the producer may take the combined life/health examination.

10.9(4) A previously licensed nonresident producer who cannot prove compliance with the CE requirements may either take and successfully complete the appropriate Iowa examination(s) in all qualifications for which license renewal is sought prior to September 30 of the renewal year or may wait until October 1 of the renewal year and apply for a new license.

10.9(5) A producer who surrenders a license and states 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. A fee will be charged for this service.

191—10.10(522) 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 which 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. If the license has been inactive more than 90 days, the producer will, at a minimum, be required to successfully complete the appropriate examinations before a license will be issued.

191—10.11(522) Exemptions from examination requirement.

10.11(1) An applicant for a resident producer license who previously held a valid Iowa resident license and has since continuously held a resident license in another state is not required to complete Iowa examinations. This exemption applies only to a producer who seeks to return to Iowa as a resident producer within three years from the date the producer surrendered the Iowa resident license.

10.11(2) The examination requirement may be waived for an applicant for a resident producer license who files a request for waiver which states some extenuating circumstance. Upon a finding of good cause, the division may determine that a license should be granted. Licenses granted under this provision may be limited in scope or duration.

191—10.12(522) Letter of clearance.

10.12(1) A resident producer may request a letter of clearance by submitting the following items to the division:

- a.* A written request, signed by the producer, including the producer's name, insurance producer license number, and the name of the state for which a letter of clearance is sought;
- b.* The producer's Iowa insurance license, or a signed statement that it has been lost or destroyed;
- c.* A self-addressed stamped envelope; and
- d.* The appropriate fee.

10.12(2) Upon issuance of the letter of clearance, the division will cancel all of the producer's company appointments and the license status will be changed from active to inactive.

191—10.13(522) 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, insurance producer 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—10.14(522) Change in name or address.

10.14(1) If a producer's name is changed, the producer must file written notification with the division within 30 days of the change. If the change of name is by court order, a copy of the order must be submitted to the division within 30 days of the change.

10.14(2) Address change. If a resident or nonresident producer's address is changed, the producer must file written notification signed by the producer within 30 days of the address change, stating:

- a.* Producer's name;
- b.* License number;
- c.* Previous resident address; and
- d.* The new resident address.

10.14(3) If a nonresident producer moves from one state to another state, the producer must file a change of address and a letter of certification from the new resident state within 60 days. No fee or license application is required.

10.14(4) The division will not automatically issue a new license with the producer's new address. A license will be issued upon written request and payment of the fee for a duplicate license.

10.14(5) If a licensed Iowa resident producer moves from Iowa to another state and wishes to become licensed as a nonresident producer in Iowa, the producer may file a change of address and a letter of certification from the new resident state within 60 days of the date the producer established residency in the new resident state.

10.14(6) If a nonresident producer moves into Iowa and wishes to obtain a resident license, the producer must comply with subrule 10.4(1).

191—10.15(522) Reporting of actions.

10.15(1) A producer shall report to the division any administrative action taken against the producer in another jurisdiction or by another Iowa governmental agency within 30 days of the final disposition of the matter. This report shall include a copy of the order, consent to order or other legal document.

10.15(2) Within 30 days of the initial pretrial hearing date, a producer shall report to the division any criminal prosecution of the producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal document.

10.15(3) A producer shall report to the division all court actions and all CSAC actions taken under or in connection with Iowa Code chapter 261 and shall provide the division copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to 1998 Iowa Acts, chapter 1081, section 7, all court orders entered in such actions, and withdrawals of certificates of noncompliance by the CSAC.

191—10.16(522) Commissions.

10.16(1) An insurance company shall not pay, directly or indirectly, any commission, service fee, brokerage or other valuable consideration to any individual or person for services as an insurance producer unless the individual or person performing the service held a valid license regarding the class of insurance for which the service was rendered at the time the service was performed. A producer may not receive commissions for insurance written with a company until that producer has been appointed with such company. Nothing herein is intended to alter the requirements of Iowa Code section 522.4.

10.16(2) A producer may assign commissions to an entity organized for the purpose of operating that producer's insurance business so long as all of the entity's representatives who personally engage in solicitation activities in Iowa are individually licensed as producers under Iowa law.

10.16(3) A person who is not directly 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 commissions or to receive renewal commissions earned while the producer was actively engaged in activities that did require an insurance producer license.

191—10.17(522) Appointments.

10.17(1) Any insurance company admitted to do business in Iowa may file an appointment form to request an appointment.

10.17(2) Appointment fees are set forth in rule 10.25(522). 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.

10.17(3) When an insurance company terminates its relationship with a producer, the company shall promptly notify the division by submitting an appointment form. The company shall also notify the producer that the producer's appointment has been canceled.

10.17(4) Appointments and cancellations are effective when processed by the division.

10.17(5) 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—10.18(522) Appointment renewal.

10.18(1) On or about May 1 of each year, the division shall provide a list of the producers currently appointed with each insurance company and a billing statement. No amendments may be made to the billing statement.

10.18(2) Payment is due at the division on or before June 30 and must include the billing statement. Renewals filed after June 30 will be subject to a late filing fee.

10.18(3) Failure to pay renewal appointment fees by July 15 will result in cancellation of a company's appointments. Appointments that are canceled due to nonpayment of renewal fees may be reinstated upon payment of a reinstatement fee.

10.18(4) Effective January 1, 2002, appointment renewal reports will be sent to insurance companies on April 1 and payment will be due on or before May 31. Appointments that are not renewed by June 15 will be canceled and may be reinstated only upon payment of renewal and reinstatement fees.

10.18(5) By special arrangement with the division, the appointment renewal process may be conducted via electronic processes.

191—10.19(522) Licensing of an insurance agency.

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

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

a. File a completed license application on the form prescribed by the division;

b. Designate one officer, owner, partner, or member of the insurance agency, 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 insurance agency or of insurance producers affiliated with the insurance agency;

c. File a report of all Iowa-licensed insurance producers affiliated or employed with the insurance agency;

d. For a nonresident insurance agency, file a current certification of insurance agency licensure from the insurance commissioner for the insurance agency's resident state or, if the resident state does not license insurance agencies, file a request for a waiver of this requirement;

e. Pay the insurance agency license fee or the appropriate retaliatory fee;

f. Provide the legal or trade name of the insurance agency and all business names, trade names, service marks, marketing names or other names under which the insurance agency may operate.

10.19(3) License term. An insurance agency license issued under this rule shall be effective for three calendar years, including the year of application; and all insurance agency 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 insurance agency on file with the division on or before December 1. The renewal notice will include a current listing of all producers affiliated with that agency. The designated responsible producer shall strike through the names of the insurance producers no longer affiliated with the insurance agency and add the names of any affiliated insurance producers not on the list. The renewal notice form 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. Insurance agency licenses may be reinstated through January 31 following the third calendar year by payment of the renewal fee and a \$100 reinstatement fee. Insurance agencies that fail to complete the reinstatement process by January 31 must submit an application for a new insurance agency license.

10.19(6) Insurance agency appointments. Any insurance company admitted to do business in Iowa may appoint an Iowa-licensed insurance agency.

10.19(7) Business address. Insurance agencies licensed under this rule must maintain a current business address with the division. If an insurance agency's address is changed, written notification signed by the designated responsible producer must be submitted to the division within 30 days of the address change, stating:

- a. The name of the insurance agency;
- b. The federal tax identification number of the insurance agency;
- c. The previous address of the insurance agency; and
- d. The new address of the insurance agency.

10.19(8) Business name. Insurance agencies licensed under this rule must maintain a current business name with the division. If an insurance agency changes the name under which it is operating, written notification signed by the designated responsible producer must be submitted to the division within 30 days of the name change on the form prescribed by the division.

191—10.20(522) Violations and penalties.

10.20(1) A producer who sells insurance, directly or indirectly, in violation of this chapter shall be deemed to be in violation of Iowa Code section 522.1 and subject to the penalties provided in Iowa Code section 522.5.

10.20(2) Any company or company representative who aids and abets a producer in the above-described violation shall be deemed to be in violation of Iowa Code section 522.1 and subject to the penalties provided in Iowa Code sections 522.5, 507B.7 and 507B.11.

10.20(3) 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 Iowa Code sections 522.3 and 522.5 or any combination of actions, for any one or more of the following causes:

- a. Providing incorrect, incomplete or materially untrue information on an application for an insurance producer license;
- b. Obtaining or attempting to obtain an insurance producer license by fraud, misrepresentation or material misstatement;
- c. Improperly using notes, or any other reference material, to complete an examination for an insurance producer license;
- d. Submitting a check to the division or to the outside testing service on contract with the division 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;
- e. 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;
- f. Having an insurance producer's license or its equivalent suspended or revoked by any other state, district or territory of the U.S. or any province of Canada or state of Mexico;
- g. Acting as an insurance producer through persons not licensed as insurance producers;
- h. Having been convicted of a felony;
- i. Failing to timely respond to division inquiries;
- j. Refusing to cooperate with division employees in an investigation;

- k.* Misappropriating, converting, or improperly withholding money or property received in the conduct of insurance business;
- l.* Intentionally misrepresenting the terms of any actual or proposed insurance policy;
- m.* Demonstrating incompetence, untrustworthiness or financial irresponsibility in the transaction of insurance business;
- n.* Using fraudulent, coercive or dishonest practices in the conduct of affairs under the license;
- o.* 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 Iowa Code chapter 522 or these rules.

10.20(4) 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(5) The license of an agency 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 partnership or corporation 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.

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 1998 Iowa Acts, chapter 1081. 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 1998 Iowa Acts, chapter 1081, 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 60 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 1998 Iowa Acts, chapter 1081, sections 6 and 7;

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 1998 Iowa Acts, chapter 1081, section 6, 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 1998 Iowa Acts, chapter 1081, sections 6 and 7, 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 the board has suspended or revoked a license pursuant to 1998 Iowa Acts, chapter 1081.

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(522) 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 of the producers' qualifications where an examination is required.

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 qualifications 9, 30 and 31, and
- e. Conform to division guidelines and report to the division on at least a quarterly basis.

191—10.24(522) Forms. An original of each form necessary for the producer's licensure, appointment and cancellation 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(522) 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 or, for a nonresident producer, the greater of \$50 or the retaliatory fee.

10.25(4) The fee for issuance or renewal of an insurance agency license is \$50 for three years or, for a nonresident producer, the greater of \$50 or the retaliatory fee.

10.25(5) The fee for reinstatement of an insurance producer 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 clearance letter is \$5.

10.25(8) The fee for issuance of a certification letter is \$5.

10.25(9) The fee for an appointment or the renewal of an appointment is \$5 per producer or the retaliatory fee. There is no fee for the cancellation of an appointment.

10.25(10) 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(11) The fee to reactivate an inactive license and receive a new license under subrule 10.9(5) is \$10.

10.25(12) The division may charge a fee for other services.

These rules are intended to implement Iowa Code chapters 252J and 522.

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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