

INSURANCE DIVISION[191]

Adopted and Filed

Pursuant to the authority of Iowa Code section 522A.7 and 2015 Iowa Acts, Senate File 487, section 14, the Insurance Division (the Division) hereby amends Chapter 10, “Licensing of Insurance Producers,” Iowa Administrative Code.

These amendments implement and allow the Division to administer both Iowa Code chapter 522A, which regulates the limited licensing of rental companies when a motor vehicle rental company sells travel or automobile-related insurance products or coverage in connection with and incidental to the rental of vehicles, and 2015 Iowa Acts, Senate File 487, which regulates the sale of portable electronics insurance, including requirements for licensure and provisions for fees and penalties. The amendments to Chapter 10 provide administrative procedures and clarify current procedures for vehicle rental companies and their counter employees and for sellers of portable electronics insurance to apply for and hold limited licenses. The effective date of 2015 Iowa Acts, Senate File 487, is January 1, 2016.

Notice of Intended Action (the Notice) was published in the Iowa Administrative Bulletin on September 30, 2015, as **ARC 2174C**. Written comments were accepted through October 20, 2015, and a public hearing was held on October 20, 2015, at the offices of the Iowa Insurance Division, Two Ruan Center, 601 Locust Street, Fourth Floor, Des Moines, Iowa. No comments were received.

The only change to the amendments published under Notice is the addition of Item 1 to amend the chapter title to better reflect the content of the chapter. Subsequent items have been renumbered accordingly.

The amendments are subject to waiver consistent with the waiver provisions provided at 191—Chapter 4.

These amendments will impose no fiscal impact to the State.

After review and analysis of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 522A and 2015 Iowa Acts, Senate File 487 [Iowa Code chapter 522E].

These amendments shall become effective January 1, 2016.

The following amendments are adopted.

ITEM 1. Amend **191—Chapter 10**, title, as follows:
LICENSING OF INSURANCE PRODUCERS PRODUCER LICENSES AND LIMITED LICENSES

ITEM 2. Rescind the headings for **191—Chapter 10, Divisions I and II**.

ITEM 3. Rescind rule 191—10.51(522A) and adopt the following new rule in lieu thereof:

191—10.51(522A,86GA,SF487) Limited licenses.

10.51(1) Limited licenses for vehicle rental companies and counter employees.

a. *Purpose.* The purpose of this subrule is to govern the qualifications of and procedures for the licensing of vehicle rental companies and counter employees and to set out the requirements, procedures and fees relating to the qualification and licensure of vehicle rental companies and counter employees.

b. *Definitions.* For purposes of this subrule, the definitions of Iowa Code chapter 522A and the following definitions shall apply:

“*Division*” means the commissioner of insurance and the Iowa insurance division.

“*Division Web site*” means the Web site for the division, www.iid.iowa.gov.

“*File*” means to submit information to the division. A submission is considered filed when it is received by the division.

“*Vehicle rental counter employee limited license*” means a license issued to an individual employed by a rental company authorized as a limited licensee as defined by Iowa Code section 522A.2.

“*Vehicle rental counter employee limited license application*” means the form used by an individual to apply for a counter employee license, pursuant to Iowa Code section 522A.3.

“*Vehicle rental limited license*” means a license issued to a rental company authorized as a limited licensee as defined by Iowa Code section 522A.2.

“*Vehicle rental limited license application*” means the form used by a vehicle rental company to apply for a limited license, pursuant to Iowa Code section 522A.3.

c. Requirement to hold a license.

(1) A rental company that desires to offer or sell insurance set forth in Iowa Code section 522A.3 in connection with the rental of a vehicle shall file a vehicle rental limited license application with the division and, at the discretion of the division, receive a vehicle rental limited license.

(2) A counter employee who desires to offer or sell insurance products shall file a vehicle rental counter employee limited license application with the division and, at the discretion of the division, receive a vehicle rental counter employee limited license.

d. Limited license application process for vehicle rental company.

(1) To obtain a limited license, a vehicle rental company shall file a completed vehicle rental limited license application with the division and pay a fee of \$50 for a license. The vehicle rental limited license application form is available on the division Web site.

(2) If the vehicle rental limited license application is approved, the division shall issue a vehicle rental limited license. The vehicle rental limited license term shall be from the date of approval through the third December 31 after the vehicle rental limited license is issued.

e. Limited license application process for counter employees.

(1) An individual may not obtain a vehicle rental counter employee limited license unless that individual is employed by a vehicle rental limited licensee.

(2) To obtain a vehicle rental counter employee limited license, an individual shall successfully complete an examination and submit to the division a completed vehicle rental counter employee limited license application, pursuant to Iowa Code section 522A.3. The vehicle rental counter employee limited license application form is available on the division Web site.

(3) If the application is approved, the division shall issue a vehicle rental counter employee limited license. Vehicle rental counter employee limited license applications shall be deemed approved if not disapproved by the division within 30 days of receipt by the division. The vehicle rental counter employee limited license term shall be from the date of approval through the third December 31 after the license is issued.

(4) The vehicle rental counter employee limited license shall automatically terminate:

1. When the counter employee ceases employment with a vehicle rental limited licensee; or

2. At the end of the term of the vehicle rental counter employee limited license term if the license is not renewed pursuant to this subrule.

f. Duties of vehicle rental limited licensees.

(1) Pursuant to Iowa Code section 522A.3, a vehicle rental limited licensee is responsible for the training, examination and payment of license fees for all individuals it employs for whom the licensee desires to obtain vehicle rental counter employee limited licenses.

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

(3) The vehicle rental limited licensee must develop a system for the security of examination content.

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

(5) The vehicle rental limited licensee must notify the division of the termination of employment of any of its vehicle rental counter employee limited licensees. The vehicle rental limited licensee shall file reports of terminations semiannually on January 1 and July 1.

g. License renewal.

(1) All vehicle rental limited licenses and vehicle rental counter employee limited licenses shall be issued with an expiration date of the December 31 at the end of the license terms and must be renewed before the end of the license terms.

(2) Each year, the division shall mail to the vehicle rental limited licensee's latest electronic mail or mailing address appearing in the division's records a renewal form for use in renewing the vehicle rental limited license and all of the vehicle rental counter employee limited licenses that will expire that year.

(3) The vehicle rental limited licensee shall complete the renewal form for its license if applicable and for all of the vehicle rental counter employee limited licenses that will expire that year and shall return the completed renewal form and applicable fee to the division on or before December 31 of the renewal year or all licenses listed on the renewal form shall expire.

(4) The fee for renewal of a vehicle rental limited license is \$50, and the fee to renew each vehicle rental counter employee limited license is \$50.

h. Limitation on fees. A vehicle rental limited licensee shall not be required to pay license and renewal fees of more than \$1,000 in aggregate in any calendar year.

i. Change in name or address.

(1) Vehicle rental limited licensees shall 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 vehicle rental limited licensee is doing business.

(2) Vehicle rental limited licensees shall file written notification with the division of changes in names or addresses of vehicle rental counter employee limited licensees. If the change of name is by a court order, a copy of the order shall be included with the notification. The limited licensee shall file reports of name and address changes semiannually on January 1 and July 1.

j. Violations and penalties.

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

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

10.51(2) Limited licenses for persons who sell portable electronics insurance.

a. Purpose. The purpose of this subrule is to govern the qualifications of and procedures for the licensing of persons offering or selling any form of portable electronics insurance in this state, pursuant to 2015 Iowa Acts, Senate File 487.

b. Definitions. For purposes of this subrule, the definitions of 2015 Iowa Acts, Senate File 487, and the following definitions shall apply:

"Division" means the commissioner of insurance and the Iowa insurance division.

"Division Web site" means the Web site for the division, www.iid.iowa.gov.

"File" means to submit information to the division. A submission is considered filed when it is received by the division.

"Portable electronics insurance limited license" means a portable electronics insurance license as defined by 2015 Iowa Acts, Senate File 487, section 1.

"Portable electronics insurance limited license application" means the form used by a portable electronics vendor to apply for a portable electronics insurance limited license.

c. Requirement to hold a portable electronics insurance limited license. A person that desires to offer or sell any form of portable electronics insurance in this state shall:

(1) Be licensed as an insurance producer pursuant to Iowa Code chapter 522B;

(2) Submit an application to the division and, at the discretion of the division, receive a portable electronics insurance limited license pursuant to 2015 Iowa Acts, Senate File 487, sections 2, 3 and 4, and this subrule; or

(3) Be an endorsee in compliance with 2015 Iowa Acts, Senate File 487, sections 6 and 7, and this subrule.

d. Application process for portable electronics insurance limited license.

(1) To obtain a portable electronics insurance limited license, a portable electronics vendor shall submit to the division a completed portable electronics insurance limited license application and the appropriate fee, as required by 2015 Iowa Acts, Senate File 487, section 3.

(2) If the application is approved, the division shall issue a portable electronics insurance limited license. The portable electronics insurance limited license term shall be from the date of approval through the third December 31 after the portable electronics insurance limited license was issued.

e. Portable electronics insurance limited license renewal.

(1) All portable electronics insurance limited licenses shall be issued for a license period as defined in 2015 Iowa Acts, Senate File 487, section 1, and must be renewed triennially.

(2) Not less than 60 days before the end of the license period, the division shall mail a renewal form to the portable electronics insurance limited licensee at the last-known electronic mail or mailing address appearing in the division's records.

(3) The portable electronics insurance limited licensee shall complete and return to the division the completed renewal form and the applicable fee, as required by 2015 Iowa Acts, Senate File 487, section 5, on or before the expiration date of the portable electronics insurance limited license, or the licensee's portable electronics insurance limited license shall expire and the authority of all endorsees to sell under the portable electronics insurance limited license also shall expire.

f. Change in name or address. A portable electronics insurance limited licensee shall 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 location at which the portable electronics insurance limited licensee is doing business.

g. Violations and penalties. A portable electronics vendor or endorsee that sells insurance in violation of this rule shall be deemed to be in violation of 2015 Iowa Acts, Senate File 487, and subject to the penalties in 2015 Iowa Acts, Senate File 487, section 8.

This rule is intended to implement Iowa Code chapter 522A and 2015 Iowa Acts, Senate File 487.

ITEM 4. Rescind and reserve rules **191—10.52(522A)** to **191—10.60(522A)**.

ITEM 5. Rescind the following implementation sentence for **191—Chapter 10, Division II:**

~~Rules 191—10.51(522A) to 191—10.60(522A) are intended to implement Iowa Code Supplement chapter 522A.~~

[Filed 11/4/15, effective 1/1/16]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/25/15.