

**INSURANCE DIVISION[191]**

**Notice of Intended Action**

**Proposing rule making related to insurance producers and providing an opportunity for public comment**

The Insurance Division hereby proposes to amend Chapter 10, “Insurance Producer Licenses and Limited Licenses,” Chapter 11, “Continuing Education for Insurance Producers,” Chapter 13, “Consent for Prohibited Persons to Engage in the Business of Insurance,” and Chapter 48, “Viatical and Life Settlements,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code sections 505.8, 508E.19, 522A.7, 522B.18 and 522E.14.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapters 252J, 261, 505, 508E, 522A, 522B and 522E.

*Purpose and Summary*

The proposed amendments to these chapters are a result of the Division’s five-year review of rules. The amendments generally update the chapters by removing unnecessary language, removing duplicative definitions, and reflecting current practices. The most significant changes to Chapter 48 are due to aligning the requirements for viatical settlement brokers to those for producers in Chapters 10 and 11 to establish a uniform process and changing the license and continuing education term to align with the statutes. A reissuance fee is proposed to be added to Chapters 10 and 48 to correspond to the reinstatement fee. The Division processes only a few of these reissuances each year. Finally, the proposed rule making updates the reinstatement procedures to prohibit reinstatement prior to the end of a suspension period regardless of the timing of the licensure term since this requirement is not expressly stated in the rules and has caused confusion among producers.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa. While these rules do add a reissuance fee, the Division has only processed five such reissuances since 2017.

*Jobs Impact*

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

*Waivers*

These rules do not include a provision for the waiver of a rule because the Division’s general waiver rules of 191—Chapter 4 apply.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Division no later than 4:00 p.m. on January 7, 2020. Comments should be directed to:

Tracy Swalwell  
Iowa Insurance Division  
Two Ruan Center  
601 Locust Street, Fourth Floor  
Des Moines, Iowa 50309  
Phone: 515.725.1249  
Fax: 515.281.3059  
Email: [tracy.swalwell@iid.iowa.gov](mailto:tracy.swalwell@iid.iowa.gov)

*Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 7, 2020  
10 to 11 a.m.

Division Offices, Fourth Floor  
Two Ruan Center  
601 Locust Street  
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Division and advise of specific needs.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend subrule 10.1(2) as follows:

**10.1(2)** These rules are authorized by Iowa Code section 505.8 and are intended to implement Iowa Code chapters 252J, ~~264~~ 272D and 522B.

ITEM 2. Amend rule 191—10.2(522B) as follows:

**191—10.2(522B) Definitions.** In addition to the definitions in 191—1.1(502,505), the following definitions apply:

*“Appointment”* means a notification filed with the division or its designated vendor that an insurer has established an agency relationship with a 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 a producer was born.

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

~~*“Commissioner”* means the Iowa insurance commissioner.~~

~~*“CSAC”* means college student aid commission.~~

*“CSRU”* means child support recovery unit.

~~*“Division”* means the Iowa insurance division.~~

*“Home state”* means the District of Columbia ~~and~~ or any state or territory of the United States in which a producer maintains the producer's principal place of residence or principal place of business and is licensed to act as a 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)~~ rule 191—10.7(522B).

“*License*” means the division’s authorization for a person to act as a producer for the authorized lines of insurance.

“*License number*” means the National Insurance Producer Registry (NIPR) national producer number (NPN) issued to all licensees whose license records exist in the state producer licensing database (SPLD). For purposes of this definition, “state producer licensing database (SPLD)” means the national database of producers maintained by the National Association of Insurance Commissioners (NAIC), its affiliates or subsidiaries.

“*National Insurance Producer Registry*” or “*NIPR*” means the nonprofit affiliate of the National Association of Insurance Commissioners (NAIC). The NIPR’s ~~Web site~~ website is [www.NIPR.com](http://www.NIPR.com).

“*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.

“*NIPR Gateway*” means the communication network developed and operated by NIPR that links state insurance regulators with the entities they regulate to facilitate the electronic exchange of producer information regarding license applications, license renewals, appointments and terminations.

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

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

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

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

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

“*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 a producer.

“*Termination for cause*” means that an insurer has ended its agency relationship with a producer for one of the reasons set forth in Iowa Code section 522B.11.

“*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~~ website.

ITEM 3. Amend subrule 10.3(3) as follows:

**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 producer license regarding the line of insurance for which the advice is given. This subrule ~~shall~~ does not apply to a licensed attorney or certified public accountant who does not sell or solicit insurance.

ITEM 4. Amend subrule 10.4(2) as follows:

**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 will be submitted either to the outside testing service on contract with the division or as directed by the division. Instructions are available at on the division’s ~~Web site: [www.iid.state.ia.us](http://www.iid.state.ia.us)~~ website.

ITEM 5. Amend subrule 10.4(5) as follows:

**10.4(5)** Amendments to producer licenses shall be done either by an outside vendor or by the division, as directed by the division. Any licensed producer desiring to become licensed in an additional line of authority ~~shall~~ must:

a. Submit a completed uniform application form through the NIPR Gateway or as directed by the division, specifying the line(s) of authority requested to be added. Instructions are available at on the division's Web site: [www.ia.state.ia.us](http://www.ia.state.ia.us) website; and

b. For each line of authority requested to be added, pass any required examination.

ITEM 6. Amend subrule 10.4(7) as follows:

**10.4(7)** To receive a license for excess and surplus lines, the applicant must have successfully completed the excess and surplus lines examination and also have successfully completed either: (1) the examinations for property and casualty lines of authority; or (2) the ~~examination~~ examinations for personal lines of authority and the commercial insurance subject examination.

ITEM 7. Amend rule 191—10.6(522B) as follows:

**191—10.6(522B) Issuance of license.**

**10.6(1)** A ~~In order to be issued a producer license, a person who meets~~ must meet the requirements of Iowa Code sections 522B.4 and 522B.5, or section 522B.7, ~~and of and~~ rule 191—10.5(522B), unless otherwise denied licensure pursuant to Iowa Code section 522B.11 or rule 191—10.20(522B), ~~shall be issued a producer license. A~~ The initial term of a producer license shall remain in effect for an initial term of is three years and ends after the last day of the applicant's birth month of the year the license was issued, unless revoked or suspended. A license may be continually renewed pursuant to rule 191—10.8(522B) as long as the proper fees are paid and home state continuing education requirements are met. A renewal term is three years. If not renewed, a producer license automatically terminates on the last day of the month of the initial or renewal term.

**10.6(2)** No change.

**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. The license number shall be the same as the producer's National Insurance Producer Registry (NIPR) national producer number (NPN).

**10.6(4)** If the division issues or renews a producer license and subsequently determines that payment for the license or renewal was returned to the division by a bank without payment, or that the credit card company does not approve, ~~or~~ cancels, or refuses amounts charged to the credit card, the license ~~shall~~ must be immediately suspended until the payments are made and any fees or penalties charged by the division are paid, at which time the license may be reinstated. The individual may request a hearing within 30 days of receipt of the division's notice ~~by the division~~ that the license was suspended.

ITEM 8. Amend rule 191—10.7(522B) as follows:

**191—10.7(522B) License lines of authority.** In addition to the lines of authority listed in Iowa Code subsection 522B.6(2), the following lines of authority also are available for issuance in Iowa: crop<sub>2</sub>; surety<sub>2</sub>; and reciprocal (any other line of insurance issued in another state and for which Iowa grants authority to sell, solicit or negotiate in this state).

ITEM 9. Amend rule 191—10.8(522B) as follows:

**191—10.8(522B) License renewal.**

**10.8(1)** Upon request by a licensed producer, the division ~~shall~~ must electronically transmit a producer renewal notice to ~~a licensed producer~~ at the producer's last-known electronic mail address as it appears in division records. If the division has received notification that the electronic address of record is no longer valid, no renewal notice will be transmitted.

**10.8(2)** A producer must apply for license renewal ~~within 60~~ during the 90 days prior to the expiration date of the license. Failure to apply to renew a license and pay appropriate fees prior to the expiration date of the license will result in expiration of the license.

**10.8(3)** and **10.8(4)** No change.

**10.8(5)** Nonresident producer licenses may only be renewed ~~only~~ through the NIPR Gateway, or as otherwise directed by the division.

ITEM 10. Amend rule 191—10.9(522B) as follows:

**191—10.9(522B) 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~~ applicable continuing education (CE) term the producer met the CE requirements found in 191—Chapter 11, and by paying a reinstatement fee and a license renewal ~~fees~~ fee. 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 submitting a request through the NIPR Gateway and by paying a reinstatement fee and a license renewal fee. After the 12-month period, a nonresident producer must apply for a new license who fails to apply for a license reinstatement within 12 months of the license expiration date must apply for license reissuance.

**10.9(3)** No change.

ITEM 11. Amend rule 191—10.10(522B) as follows:

**191—10.10(522B) Reinstatement or reissuance of a license after suspension, revocation or forfeiture in connection with disciplinary matters; and forfeiture in lieu of compliance.**

**10.10(1) Terminology.** The term “reinstatement” as used in this rule means the reinstatement of a suspended license. The term “reissuance” as used in this rule means the issuance of a new license following ~~either the revocation of a license, the suspension and subsequent termination of a license,~~ or the forfeiture of a license in connection with a disciplinary matter, including but not limited to proceedings pursuant to rules 191—10.21(252J), ~~191—10.22(261)~~ and 191—10.23(82GA, ~~SF2428~~ 272D). This rule does not apply to the reinstatement of an expired license or the issuance of a new license that is not in connection with a disciplinary matter.

**10.10(2) Application required.** Any producer whose license has been revoked or suspended by order, or who forfeited a license in connection with a disciplinary matter, ~~may~~ must apply to the commissioner for reinstatement or reissuance in accordance with the terms of the order of revocation or suspension or the order accepting the forfeiture.

*a.* All proceedings for reinstatement or reissuance ~~shall~~ must be initiated by the applicant, who shall file with the commissioner an ~~application for reinstatement or reissuance of a license~~ Iowa Insurance Producer Application for Reinstatement or an Iowa Insurance Producer Application for Reissuance. An applicant is not eligible for reinstatement or reissuance until the applicant has satisfied the other prescribed requirements of rule 191—10.4(522B), including the timing requirements of subrule 10.4(4).

*b.* An application for reinstatement or reissuance ~~shall~~ must allege facts which, if established, will be sufficient to enable the commissioner to determine that the basis of revocation, suspension, or forfeiture of the applicant’s license no longer exists and ~~that it will be in the public interest for the application to be granted~~ must disclose whether the producer has engaged in any conduct that is listed as a cause for licensing action under Iowa Code section 507B.4 or 522B.11(1) that was not included in the order for suspension, revocation, or forfeiture.

*c.* An application for reinstatement or reissuance must allege sufficient facts to enable the commissioner to determine that it will be in the public interest for the application to be granted. The commissioner may determine it is not in the public interest if the producer has engaged in any conduct that is listed as a cause for licensing action under Iowa Code section 507B.4 or 522B.11(1) that was not included in the order for suspension, revocation, or forfeiture.

*d.* The burden of proof to establish such facts shall be on the applicant.

*e. e.* A producer may request reinstatement of a suspended license prior to the end of the suspension term; however, reinstatement will not be effected until the suspension period has ended.

*d. f.* Unless otherwise provided by law, if the order of revocation, or suspension, or acceptance of forfeiture did not establish terms upon which reinstatement or reissuance may occur, or if the license was forfeited, an initial application for reinstatement or reissuance may not be made until at least one

year has elapsed from the date of the order of the suspension (notwithstanding paragraph 10.10(2)“e” 10.10(2)“e”), revocation, or acceptance of the forfeiture of a license.

**10.10(3) *Proceedings.*** All proceedings upon the application for reinstatement or reissuance, including matters preliminary and ancillary thereto, shall be held in accordance with Iowa Code chapter 17A. Such application shall be docketed in the original case in which the original license was suspended, revoked, or forfeited, if a case exists.

**10.10(4) *Order.*** An order of reinstatement or reissuance ~~shall~~ must be based upon a written decision ~~which that~~ incorporates findings of fact and conclusions of law. An order granting an application for reinstatement or reissuance may impose such terms and conditions as the commissioner or the commissioner’s designee deems ~~desirable~~ appropriate, which may include one or more of the types of disciplinary sanctions provided by Iowa Code section 522B.11. The order ~~shall be~~ is a public record, ~~available to the public,~~ and may be disseminated in accordance with Iowa Code chapter 22.

**10.10(5) *Voluntary forfeiture.*** A ~~request for~~ submission of voluntary forfeiture of a license ~~shall~~ must be made in writing to as ~~prescribed by~~ prescribed by the commissioner. Forfeiture of a license is effective upon ~~the submission of the request~~ the submission of the request unless a contested case proceeding is pending at the time ~~the request is~~ submitted of the submission. If a contested case proceeding is pending ~~at the time of the request,~~ the forfeiture becomes effective when and upon such conditions as required by order of the commissioner. A forfeiture made during the pendency of a contested case proceeding is considered a disciplinary action and ~~shall~~ must be published in the same manner as is applicable to any other form of disciplinary order.

**10.10(6) *Suspension in relation to expiration date.*** When a producer’s license has been suspended for a period of time ~~which that~~ extends beyond the producer’s license expiration date, the license ~~will terminate~~ terminates at the license expiration date, and the producer must request ~~reinstatement~~ reissuance pursuant to subrule 10.10(2). ~~However,~~ reissuance will not be effected until the suspension period has ended. If suspension for a period of time ends prior to the producer’s license expiration date and the producer has met ~~all applicable requirements,~~ the ~~division shall~~ commissioner must reinstate the license ~~at as soon as practicable but no earlier than~~ the end of the suspension period. ~~The~~ However, the commissioner is not prohibited from ~~denying an application for reinstatement or reissuance or bringing an additional immediate action if the producer has engaged in misconduct during the period of suspension~~ any additional violation of Iowa Code section 507B.4 or 522B.11(1) or otherwise failed to meet all of the applicable requirements.

ITEM 12. Amend rules 191—10.11(522B) to 191—10.13(522B) as follows:

**191—10.11(522B) Temporary licenses.** An Iowa resident may apply for a temporary license pursuant to Iowa Code section 522B.10. The applicant ~~should~~ must submit a written request to the division ~~which that~~ includes the reason for the request and the length of time for which the temporary license is requested. Temporary licenses will be issued for 90 days, with extensions allowed, but in no event for longer than 180 days, pursuant to Iowa Code section 522B.10.

**191—10.12(522B) Change in name, address or state of residence.**

**10.12(1)** If a producer’s name is changed, the producer must file notification with the division through the NIPR Gateway at [www.NIPR.com](http://www.NIPR.com), unless the division instructs otherwise, within 30 days of the name change. The notification must include the producer’s:

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

~~Notification shall be filed through the NIPR Gateway at [www.NIPR.com](http://www.NIPR.com), unless the division instructs the producer otherwise.~~

**10.12(2) *Address change.*** If a resident or nonresident producer’s address is changed, the producer must file notification with the division through the NIPR Gateway at [www.NIPR.com](http://www.NIPR.com), unless the division instructs otherwise, 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. A producer may designate a business address instead of a resident address at the option of the producer.

Notification shall be filed through the NIPR Gateway at [www.NIPR.com](http://www.NIPR.com), unless the division instructs the producer otherwise.

**10.12(3)** No change.

**10.12(4)** Issuance of an Iowa nonresident producer license is contingent on proper licensure in the nonresident producer's home state. Termination of the producer's resident license will be deemed termination of the Iowa nonresident producer license unless the producer timely files a change of address pursuant to this rule.

**10.12(5)** If a producer has provided an E-mail email address to the division, the division has the option to may send information to the producer through the E-mail email address rather than through the mail.

### **191—10.13(522B) Reporting of actions.**

**10.13(1)** A producer shall must report to the division any actions required to be reported by Iowa Code section 522B.16.

**10.13(2)** A producer shall must report to the division all ~~CSAC or CSRU or centralized collection unit of the department of revenue~~ actions taken under or in connection with Iowa Code chapter ~~261 or 252J or 272D~~ and all court orders entered in such actions.

**10.13(3)** No change.

ITEM 13. Amend subrule 10.15(2) as follows:

**10.15(2)** Insurers shall must file and pay for initial appointments using the NIPR Gateway, except that insurers authorized under Iowa Code chapter 518 or 518A shall must file appointments directly with the division ~~by arrangement with the division~~.

ITEM 14. Amend subrule 10.15(7) as follows:

**10.15(7)** Insurance companies ~~are required to~~ must file the name, address, and electronic address of a contact person for the company, to whom the billing statements will be sent. Insurance companies ~~are required to~~ must notify the division if a there is a change of the person appointed as the contact person or if a change of the address of such contact occurs. If a an insurance company fails to notify the division of such a change, ~~the division shall charge~~ the insurance company must pay a \$100 fee.

ITEM 15. Amend rules 191—10.16(522B) to 191—10.21(252J) as follows:

### **191—10.16(522B) Appointment renewal.**

**10.16(1)** On or about December 1 of each year, the division or its designee will deliver reminders to insurance companies that appointment renewals are imminent. Appointments shall must be renewed electronically via the NIPR Gateway at [www.NIPR.com](http://www.NIPR.com).

**10.16(2)** On or about January 2 of each year, a list of the producers currently appointed with each insurance company and a billing statement will be provided to each insurance company via the NIPR Gateway. The billing statement ~~may~~ must not be altered, amended or used for appointing or terminating producers.

**10.16(3)** and **10.16(4)** No change.

**10.16(5)** Insurance companies ~~are required to~~ must file the name, address, and electronic address of a contact person for the company, to whom the appointment renewals will be sent. Insurance companies ~~are required to~~ must notify the division if a change of the address of such contact occurs. If a an insurance company fails to notify the division of such a change of address, ~~the division shall charge~~ the insurance company must pay a \$100 fee.

### **191—10.17(522B) Appointment terminations.**

**10.17(1)** When an insurance company terminates its relationship with a producer, the company shall must notify the division using the NIPR Gateway. The termination must be filed within 30 days of the

date the insurer terminated its agency relationship with the producer. The company ~~shall~~ must also notify the producer that the producer's appointment has been ~~cancelled~~ terminated.

**10.17(2) and 10.17(3)** No change.

**10.17(4)** When an insurer terminates an appointment for cause pursuant to Iowa Code section 522B.14, the notification of termination may be filed according to subrule 10.17(1). The supporting documents required by Iowa Code section 522B.14 ~~shall~~ must be submitted to the division within ten days of the filing of the notification. The documents ~~shall~~ must include a certification by an officer or authorized representative of the insurer.

**191—10.18(522B) Licensing of a business entity.**

**10.18(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~~ will be classified as a producer and ~~shall be~~ is subject to all standards of conduct and reporting requirements applicable to producers.

**10.18(2) Requirements.**

*a.* To qualify for such a license, the business entity must:

(1) File a completed NAIC uniform business entity application through the NIPR Gateway or as directed by the division. For purposes of this subrule, “uniform business entity application” means the National Association of Insurance Commissioners’ uniform business entity application for resident and nonresident business entities, as the application appears on the NAIC ~~Web site~~ website;

(2) to (4) No change.

*b.* The designated responsible producer ~~shall~~ must maintain an active Iowa producer license. If the license of the designated responsible producer terminates or lapses for any reason, the business entity must supply the division with a substitute designated responsible producer within ten days. If the business entity does not provide a substitute, the division ~~shall~~ must immediately terminate the license, and the entity ~~shall~~ must submit a new application and pay the appropriate license fee.

**10.18(3) License term.** A business entity license issued under this rule ~~shall be~~ is effective for three years and one month, including the year of application, beginning on the first day of the month of the business entity's formation date and ending with the last day of the month of the business entity's formation date. By arrangement with the division, a business entity may choose a different month for its license term.

**10.18(4) License renewal.** Upon request by a business entity, the division ~~shall~~ must electronically transmit a renewal notice to the electronic mail address of the business entity on file with the division on or before the first day of the month preceding the renewal month. The renewal fee must be received by the division or its designated vendor on or before the license expiration date. All business entities must renew their licenses through the NIPR Gateway or as otherwise directed by the division.

**10.18(5) and 10.18(6)** No change.

**191—10.19(522B) Use of senior-specific certifications and professional designations in the sale of life insurance and annuities.**

**10.19(1)** No change.

**10.19(2) Scope.** This rule ~~shall apply~~ applies to any solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product by a producer.

**10.19(3) Authority.**

*a.* This rule is promulgated under the authority of Iowa Code chapters 507B and 522B.

*b.* Nothing in this rule ~~shall limit~~ limits the division's authority to enforce existing provisions of law.

**10.19(4)** No change.

**191—10.20(522B) Violations and penalties.**



**10.20(1)** A producer who sells, solicits or negotiates insurance, directly or indirectly, in violation of this chapter ~~shall be~~ is deemed to be in violation of Iowa Code section 522B.2 and is subject to the penalties provided in Iowa Code section 522B.17.

**10.20(2)** No change.

**10.20(3)** Any company or company representative who aids and abets a producer in the above-described violation ~~shall be~~ is deemed to be in violation of Iowa Code section 522B.2 and is subject to the penalties provided in Iowa Code section 522B.17.

**10.20(4)** No change.

**10.20(5)** If a producer fails to provide to the division any notification required either by Iowa Code chapter 522B or by this chapter, including but not limited to notification of a change of address, notification of change of name, or notification of administrative criminal action as required by rules 191—10.12(522B) and 191—10.13(522B), within the required time, the producer ~~shall~~ must pay a late fee of \$100 for each notification unless otherwise ordered pursuant to Iowa Code section 522B.6(7) or 522B.17. A business entity that fails to make a notification to the division as required by rule 191—10.18(522B) within the required time ~~shall~~ must pay a late fee of \$100 for each notification unless otherwise ordered pursuant to Iowa Code section 522B.6(7) or 522B.17.

**10.20(6)** In the event that the division denies a request to renew a producer license or denies an application for a producer license, the commissioner ~~shall~~ must provide written notification to the producer or applicant of the denial or failure to renew, 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~~ must be held within 30 days of the date of the receipt of the written demand by the applicant, unless otherwise agreed to by the producer, and ~~shall~~ be held pursuant to 191—Chapter 3.

**10.20(7)** No change.

**191—10.21(252J,272D) Suspension for failure to pay child support or state debt.**

**10.21(1)** The commissioner must deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license upon receipt of a certificate of noncompliance from the CSRU according to the procedures in Iowa Code chapter 252J or upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures in Iowa Code chapter 272D. In addition to the procedures set forth in Iowa Code chapters 252J and 272D, this rule applies.

~~**10.21(1)**~~ **10.21(2)** Upon receipt of a certificate of noncompliance from the child support recovery unit (CSRU), the commissioner shall must issue a notice to the producer that the producer's pending application for licensure, pending request for renewal, or current license will be suspended the division will, unless the certificate of noncompliance is withdrawn, deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license 30 days after the date mailing of the notice. Notice shall must be sent to the producer's last-known address by ~~regular mail~~ restricted certified mail, return receipt requested, or in accordance with the division's rules for service.

~~**10.21(2)**~~ **10.21(3)** The notice ~~shall~~ must contain the following items:

~~a.~~ A statement that the commissioner intends to ~~suspend the producer's application, request for renewal or current insurance license~~ deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license in 30 days unless the certificate of noncompliance is withdrawn.

~~b.~~ A statement that the producer must contact the CSRU the agency that issued the certificate of noncompliance ("the issuing agency") 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.~~ c. 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 or 272D.9, as applicable;

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

*f. e.* A copy of the certificate of noncompliance.

10.21(4) Producers must keep the commissioner informed of all actions taken by the district court or the issuing agency in connection with the certificate of noncompliance. Producers must provide to the commissioner, within seven days of filing or issuance, copies of all applications filed with the district court pursuant to an application of hearing, of all court orders entered in such actions, and of all withdrawals of certificates of noncompliance.

~~10.21(3)~~ 10.21(5) ~~The filing of an application for hearing with the district court will stay all~~ In the event an applicant or licensed producer timely files an application for hearing in district court and the division is notified of such a filing, the commissioner's denial, suspension, or revocation proceedings will be stayed until the division is notified by the district court, the issuing agency, the licensee, or the applicant of the resolution of the application. Upon receipt of a court order lifting the stay or otherwise directing the commissioner to proceed, the commissioner shall continue with the intended action described in the notice.

~~10.21(4)~~ 10.21(6) If the ~~division~~ commissioner does not receive a withdrawal of the certificate of noncompliance from the CSRU issuing agency or a notice from a clerk of court, the issuing agency, the licensee, or the applicant that an application for hearing has been filed, the ~~division shall suspend the producer's application, request for renewal or current license~~ commissioner must deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license 30 days after the notice is issued.

~~10.21(5)~~ 10.21(7) Upon receipt of a withdrawal of the certificate of noncompliance from the CSRU issuing agency, suspension or revocation proceedings shall ~~must~~ halt and the named producer shall ~~must~~ be notified that the proceedings have been halted. If the producer's license has already been suspended, the producer must apply for reinstatement and the license shall ~~must~~ be reinstated if the producer is otherwise in compliance with division rules. If the producer's application for licensure was stayed, application processing must resume. All fees required for license renewal, ~~or license~~ reinstatement, or reissuance must be paid by producers and all continuing education requirements must be met before a producer license will be renewed or reinstated after a license suspension or revocation pursuant to this ~~subrule~~ chapter.

10.21(8) The commissioner must notify the producer in writing through regular first-class mail, or such other means as the commissioner deems appropriate in the circumstances, within ten days of the effective date of the suspension or revocation of a producer license, and must similarly notify the producer when the producer license is reinstated following the commissioner's receipt of a withdrawal of the certificate of noncompliance.

10.21(9) Notwithstanding any statutory confidentiality provision, the division may share information with the CSRU or the centralized collection unit of the department of revenue for the sole purpose of identifying producers subject to enforcement under Iowa Code chapter 252J or 272D.

ITEM 16. Rescind and reserve rule 191—10.22(261).

ITEM 17. Rescind and reserve rule 191—10.23(82GA,SF2428).

ITEM 18. Amend rules 191—10.24(522B) to 191—10.26(522B) as follows:

**191—10.24(522B) Administration of examinations.**

10.24(1) The division ~~will~~ may enter into a contractual relationship with an outside testing service, in compliance with Iowa law, to provide the licensing examinations for all lines of authority which require an examination.

10.24(2) ~~The~~ If contracted, the outside testing service ~~will~~ must administer all examinations for license applicants.

10.24(3) Any contract to implement subrule 10.24(1) shall must require the outside testing service to:

*a.* to *e.* No change.

**191—10.25(522B) Forms.** An original of each form necessary for the producer’s licensure, appointment and termination may be downloaded from the NAIC ~~Web site~~ website, and the division’s ~~Web site~~ (www.iid.state.ia.us) website will provide a link to that site. Exact, readable, high-quality copies may be made therefrom. ~~A self-addressed, stamped envelope must be submitted with each request.~~

**191—10.26(522B) Fees.**

**10.26(1)** Fees may be paid by check, money order, or credit card.

**10.26(2)** The fee for an examination ~~shall~~ may be set by the outside testing service under contract with the division and must be approved by the division.

**10.26(3)** and **10.26(4)** No change.

**10.26(5)** The fee for reinstatement or reissuance of a producer license is ~~a total of the renewal fee plus \$100.~~ In addition, applicable issuance or renewal fees will be assessed.

**10.26(6)** and **10.26(7)** No change.

ITEM 19. Rescind **191—Chapter 10**, implementation sentence, following rule 191—10.26(522B).

ITEM 20. Amend rule 191—10.51(522A,86GA,SF487) as follows:

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

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

a. No change.

b. *Definitions.* For purposes of this subrule, in addition to the definitions in rule 191—1.1(502,505), 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~~ must 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~~ must 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~~ must 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~~ division’s website.

(2) If the vehicle rental limited license application is approved, the division ~~shall~~ must issue a vehicle rental limited license. The vehicle rental limited license term ~~shall be~~ is 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) No change.

(2) To obtain a vehicle rental counter employee limited license, an individual ~~shall~~ must 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~~ division's website.

(3) If the application is approved, the division ~~shall~~ must issue a vehicle rental counter employee limited license. Vehicle rental counter employee limited license applications ~~shall~~ will 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~~ is from the date of approval through the third December 31 after the license is issued.

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

1. and 2. No change.

*f. Duties of vehicle rental limited licensees.*

(1) No change.

(2) A vehicle rental limited licensee ~~shall~~ must 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) and (4) No change.

(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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ will expire.

(4) No change.

*h. Limitation on fees.* A vehicle rental limited licensee ~~shall~~ is 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~~ 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 vehicle rental limited licensee is doing business.

(2) Vehicle rental limited licensees ~~shall~~ must 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~~ must 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~~ is in violation of Iowa Code chapter 522A and is subject to the penalties provided in Iowa Code section 522A.3.

(2) No change.

**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~~ Iowa Code chapter 522E.

b. *Definitions.* For purposes of this subrule, in addition to the definitions in rule 191—1.1(502,505), the definitions of 2015 Iowa Acts, Senate File 487, and the following definitions shall Iowa Code chapter 522E 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](http://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~~ must:

(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,~~ Iowa Code sections 522E.2, 522E.3, and 522E.4 and this subrule; or

(3) Be an endorsee in compliance with ~~2015 Iowa Acts, Senate File 487, sections 6 and 7,~~ Iowa Code sections 522E.6 and 522E.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~~ must 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~~ Iowa Code section 522E.3.

(2) If the application is approved, the division ~~shall~~ must issue a portable electronics insurance limited license. The portable electronics insurance limited license term ~~shall be~~ is 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~~ must be issued for a license period as defined in ~~2015 Iowa Acts, Senate File 487, section 1,~~ Iowa Code section 522E.1 and must be renewed triennially.

(2) Not less than 60 days before the end of the license period, the division ~~shall~~ must 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~~ must 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~~ Iowa Code section 522E.5, on or before the expiration date of the portable electronics insurance limited license, or the licensee’s portable electronics insurance limited license ~~shall~~ will expire and the authority of all endorsees to sell under the portable electronics insurance limited license also ~~shall~~ will expire.

f. *Change in name or address.* A portable electronics insurance limited licensee ~~shall~~ 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 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~~ is in violation of ~~2015 Iowa Acts, Senate File 487,~~ Iowa Code chapter 522E and is subject to the penalties in ~~2015 Iowa Acts, Senate File 487, section 8~~ Iowa Code chapter 522E.

~~This rule is~~ These rules are intended to implement Iowa Code ~~chapter~~ chapters 252J, 272D, 522A, 522B, and ~~2015 Iowa Acts, Senate File 487~~ 522E.

ITEM 21. Amend rules 191—11.1(505,522B) to 191—11.5(505,522B) as follows:

**191—11.1(505,522B) Statutory authority—purpose—applicability.**

**11.1(1)** These rules are adopted pursuant to the general rule-making authority of the insurance commissioner in Iowa Code chapters 505 and 522B to establish continuing education requirements for resident and nonresident insurance producers.

**11.1(2)** No change.

**11.1(3)** These rules do not apply to:

a. No change.

b. A resident producer who holds qualification in ~~one of the following~~ the surety or credit lines of authority: surety; or credit life, accident and health insurance.

c. Licensed attorneys who are also producers who submit proof of completion of continuing legal education for the appropriate calendar years during the CE term, ~~pay the continuing education fee set forth in subrule 11.14(1) and otherwise comply with the producer license renewal procedures set forth in 191—Chapter 10.~~

d. and e. No change.

**191—11.2(505,522B) Definitions.** In addition to the definitions in rules 191—1.1(502,505) and 191—10.2(522B), the following definitions apply:

*“Approved subject” or “approved course”* means any educational presentation which has been approved by the division.

*“Attendance record”* means a record on which a CE provider requires attendees of a CE course to sign in at the time of entrance to the course.

*“CE”* means continuing education as defined referenced in Iowa Code chapter 522B.

*“CE provider”* means any individual or entity that is approved to offer continuing education courses in Iowa.

*“CE term”* means the period of time that begins either on the date when a new producer's insurance license is issued or on the date after the expiration date of an existing producer's license and that ends on the following license expiration date.

*“Credit”* means continuing education credit. One credit is 50 minutes of instruction or reading material in an acceptable topic.

~~*“License”* means the division's authorization for a person to act as an insurance producer for the authorized lines of insurance.~~

~~*“National Insurance Producer Registry” or “NIPR”* means the nonprofit affiliate of the National Association of Insurance Commissioners (NAIC). Its Web site is [www.licenseregistry.com](http://www.licenseregistry.com).~~

~~*“NIPR Gateway”* means the communication network developed and operated by NIPR that links state insurance regulators with the entities they regulate to facilitate the electronic exchange of producer information regarding license applications, license renewals, appointments and terminations.~~

*“Proctored” or “independently proctored”* means the supervision by a CE provider or disinterested third party over the conduct of a producer while that producer is completing an examination that is part of a self-study CE course.

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

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

*“Roster”* means a listing of all licensed attendees at an approved course and includes the Iowa course number, the National Insurance Producer Registry (NIPR) National Producer Number (NPN), the date the course was completed, and the actual number of credits earned by each producer.

*“Self-study course”* means an educational program that consists of a self-study manual and comprehensive examination. A self-study course may be an ~~on-line~~ online course.

**191—11.3(505,522B) Continuing education requirements for producers.**

**11.3(1)** Every licensed resident producer must complete a minimum of 36 credits for each CE term in courses approved by the division. Three of these credits must be in the subject of ethics. By the end of the last business day of the producer's CE term, the division must receive from the producer proof of completion of the CE courses and payment of the CE fee.

**11.3(2) to 11.3(6)** No change.

**11.3(7)** A producer may elect to comply with the CE requirements by taking and passing the appropriate licensing examination for each qualification held by the producer.

~~a. A producer who holds property and casualty lines of authority must successfully complete the commercial insurance subject examination.~~

~~b. A producer who holds an excess and surplus line of authority must successfully complete the examination for the excess and surplus line of authority and the commercial insurance subject examination.~~

**11.3(8)** ~~For a~~ A resident producer who only holds qualification ~~only~~ for a crop insurance line of authority and who is requesting renewal of a producer license on or after January 1, 2010, the producer ~~must be able to~~ needs only to demonstrate the following each time renewal of a license is requested to renew:

a. No change.

b. The producer has completed 18 credits of continuing education, 3 of which must be in the area of ethics, ~~except that a producer who is requesting renewal of a producer license during 2010 must demonstrate that the producer has completed 9 credits of continuing education, 3 of which must be in the area of ethics.~~

#### **191—11.4(505,522B) Proof of completion of continuing education requirements.**

**11.4(1)** *Producer duties.*

a. ~~Producers are required to~~ must demonstrate compliance with the CE requirements at the time of license renewal. Procedures for completing the license renewal process are outlined in 191—Chapter 10.

b. ~~Producers are required to~~ must maintain a record of all CE courses completed by keeping the original certificates of completion for four years after the end of the year of attendance.

**11.4(2)** *Insurer duties regarding federal flood insurance.* An insurer authorized to do business in Iowa ~~shall~~ must demonstrate to the division, upon the division's request, that producers appointed by the insurer have complied with all continuing education guidelines as established by the National Flood Insurance Program (NFIP).

#### **191—11.5(505,522B) Course approval.**

**11.5(1)** No change.

**11.5(2)** Any approved active CE provider ~~shall~~ must submit a request for approval of any course, program of study, or subject for continuing education credit to the division on an NAIC uniform form. If an outside vendor is retained by the division for course reviews, requests for approval ~~shall~~ must be filed directly with the vendor.

**11.5(3)** Requests for course approval ~~which~~ that do not include all required information will be returned as incomplete.

**11.5(4)** Except as provided in subrule 11.5(5), requests for approval ~~shall~~ must be submitted at least 30 days prior to the beginning of the course. A request for renewal of a previously approved course ~~shall~~ must be submitted at least 30 days prior to the end of the 24-month approval period. Requests received later may be disapproved.

**11.5(5)** A request for approval of any self-study course that is part of a recognized national designation program may be filed within 60 days after the course is completed. This course will be reviewed and may be approved for up to the number of credits awarded for passage of the national examination in topics that are otherwise approvable under these rules. ~~This subrule applies only to national designation programs such as AAI, ARM, CIC, CEBS, ChFC, CFP, CLU, CPCU, FLMI, LUTCF, RHU and similar courses as determined by the division.~~

**11.5(6)** An insurance producer who attends a classroom course offered by a college, university or governmental agency that has not been approved by the division may make application for approval of the provider and course for CE credit. The application must be filed within 60 days of attendance at the course and must contain sufficient materials to allow for a thorough evaluation of the provider, course content, and instructor qualifications. To be eligible for CE credit, the course must meet all division guidelines for course approval. All course review fees must be paid by the producer.

**11.5(7)** A CE course must be offered for a minimum of one credit. Fractional credits will not be awarded. The total credit ~~which~~ that may be awarded for a CE course is limited to 36 credits, except that credit for a self-study course as defined in paragraph 11.3(4) “b” ~~shall be~~ is limited to 18 CE credits.

**11.5(8)** and **11.5(9)** No change.

**11.5(10)** Within 30 days of course approval, CE providers ~~shall~~ must inform the division or its vendor, as directed by the division, of the dates and locations that the course will be offered. Failure to timely file the dates and locations ~~will subject~~ subjects the CE provider to penalty and suspension or rescission of course approval.

**11.5(11)** No change.

ITEM 22. Strike “shall” wherever it appears in rules **191—11.10(505,522B)** and **191—11.11(505,522B)** and insert “must” in lieu thereof.

ITEM 23. Amend rule 191—11.12(505,522B) as follows:

**191—11.12(505,522B) Outside vendor.** The division may enter into a contractual arrangement with a qualified outside vendor to assist the division with any or all continuing education services. ~~Fees charged by the outside vendor will be subject to division approval and will be paid by the CE provider. Course approval fees are nonrefundable.~~

ITEM 24. Amend subrule 11.14(1) as follows:

**11.14(1)** The fees for approval and renewal of CE providers, CE courses and registration of instructors shall be set by the outside vendor retained by the division and are subject to approval by the division. Course approval fees are nonrefundable.

ITEM 25. Amend rule 191—13.1(505,522B) as follows:

**191—13.1(505,522B) Purpose and authority.** The purpose of these rules is to implement the provisions of 18 U.S.C. Section 1033 and Iowa Code section 522B.16B. The Iowa insurance commissioner has jurisdiction under 18 U.S.C. Section 1033 to grant requests for consent to engage in the business of insurance. ~~Insurance companies, producers, and individuals shall comply with these rules beginning January 1, 2010.~~

ITEM 26. Amend rule 191—13.2(505,522B), introductory paragraph, as follows:

**191—13.2(505,522B) Definitions.** For the purpose of this chapter, the definitions in rule 191—1.1(502,505) and the following definitions ~~shall~~ apply:

ITEM 27. Rescind the definitions of “Commissioner” and “Division” in rule **191—13.2(505,522B)**.

ITEM 28. Amend rule 191—13.4(505,522B) as follows:

**191—13.4(505,522B) Applications for consent.** The prohibited person must file with the division an application for consent as set forth in this rule.

**13.4(1)** Except as provided in subrule 13.4(2), a prohibited person who is, or seeks to be, employed in any capacity in the business of insurance in Iowa ~~shall~~ must complete and file an application for consent using the “Short Form Application for Written Consent to Engage in the Business of Insurance Pursuant to 18 U.S.C. § 1033 and 1034.” The form is, in a format prescribed by the division, available on the division’s Web site at [www.iid.state.ia.us](http://www.iid.state.ia.us) website or is available by request from the division.

**13.4(2)** No change.

**13.4(3)** An application must include:



a. Two 2" × 2" recent passport-type identical photographs attached to the upper right-hand corner of the first page of as indicated on the application for consent.

b. A certified copy of the applicant's criminal history record both from the applicant's state of residence and from the state in which the felony was committed if different from the state of residence. A Record Check Request form may be obtained from the Iowa division of criminal investigation at: [www.state.ia.us/government/dps/dci/crimhist.htm](http://www.state.ia.us/government/dps/dci/crimhist.htm) [www.dps.state.ia.us](http://www.dps.state.ia.us).

c. A certified copy of all court documents that demonstrate completion and performance of all conditions imposed by the court.

d. and e. No change.

**13.4(4)** No change.

ITEM 29. Amend rule 191—13.6(505,522B) as follows:

**191—13.6(505,522B) Review of application by the division.**

**13.6(1)** ~~A completed application shall be reviewed by the commissioner, and the following shall be considered~~ The commissioner must consider the following when reviewing a completed application:

a. to c. No change.

**13.6(2)** and **13.6(3)** No change.

**13.6(4)** If the commissioner determines that the applicant does seem to constitute a significant threat to the public, the commissioner shall deny the application. Notice of the denial ~~shall~~ must be sent to the applicant via certified mail to the address on record with the division, return receipt requested. The prohibited person ~~shall have~~ may request a hearing with the commissioner within 30 days to request a hearing with the commissioner from the date of mailing of the division's notice.

**13.6(5)** The application and materials supplied with the application ~~or, provided~~ at the request of the division and any information, or obtained by the division during the course of its review, including materials and testimony received at a hearing regarding an application, shall be considered information submitted to the insurance division or obtained by the insurance division in the course of an investigation for purposes of Iowa Code section 505.8(8), and the commissioner shall keep such information confidential. A consent issued by the commissioner shall be deemed is a public record for purposes of Iowa Code chapter 22; however, Iowa Code section 505.8(9) also shall apply.

ITEM 30. Amend rule 191—13.8(505,522B) as follows:

**191—13.8(505,522B) Change in circumstances.**

**13.8(1)** *Failure to disclose.* In the event that the division determines that the prohibited person receiving the consent made materially false or misleading statements, or failed to disclose material information in the application for consent, the consent shall be suspended or revoked. The prohibited person ~~shall have~~ may request a hearing with the commissioner within 30 days to request a hearing with the commissioner from the date of mailing of the division's notice.

**13.8(2)** *New felony.*

a. A prohibited person who previously received consent from the commissioner to participate in the business of insurance ~~shall~~ must immediately notify the division if that person is subsequently convicted of an offense under the Act, or of any felony offense involving dishonesty or breach of trust.

b. The entry of a new conviction ~~shall~~ automatically terminate terminates the prior consent.

c. When the division becomes aware of the new conviction, it ~~will~~ must inform the prohibited person in writing, via certified mail to the address on record with the division, return receipt requested, that the consent previously issued has been revoked.

d. No change.

**13.8(3)** *Violation of terms of consent.* If the commissioner determines that a prohibited person has violated the terms of a consent, the commissioner shall immediately terminate the consent. The division must inform the prohibited person in writing, via certified mail to the address on record with the division, return receipt requested, that the consent previously issued has been terminated. The prohibited person

~~shall have~~ may request a hearing with the commissioner within 30 days to request a hearing with the commissioner from the date of mailing of the division's notice.

**13.8(4)** No change.

ITEM 31. Amend rule 191—13.10(505,522B) as follows:

**191—13.10(505,522B) Violations and penalties.** A prohibited person who engages in the business of insurance without the consent of the commissioner or otherwise in violation of this chapter shall be deemed to be in violation of Iowa Code section 522B.2 and ~~shall be~~ is subject to the penalties provided in Iowa Code section 522B.17.

ITEM 32. Amend rules 191—48.2(508E) and 191—48.3(508E) as follows:

**191—48.2(508E) Definitions.** For purposes of this chapter, the definitions in Iowa Code chapter 508E are incorporated by reference. In addition to those definitions and the definitions in rule 191—1.1(502,505), the following definitions shall apply:

~~“Commissioner’s Web site” means the Web site of the commissioner and of the Iowa insurance division, [www.iid.state.ia.us](http://www.iid.state.ia.us).~~

~~“Life settlement” means a viatical settlement in which the viator has not been diagnosed as terminally or chronically ill. For purposes of these rules, unless otherwise distinguished, the term “life settlement” shall be synonymous with viatical settlement.~~

~~“Renewal year” means the last year of the viatical settlement license three-year term.~~

**191—48.3(508E) License requirements.**

**48.3(1) Viatical settlement provider.**

~~a. To be considered for licensure as a viatical settlement provider pursuant to Iowa Code section 508E.3, a person must complete the viatical settlement provider application form found at the commissioner’s Web site, file with the commissioner the a completed viatical settlement provider application in the format prescribed by the commissioner, and include the payment of pay an application fee in the amount of \$100. An application shall not be deemed filed until all information necessary to process the application has been received by the commissioner. In addition to complying with Iowa Code section 508E.3, the applicant also shall, and provide the following:~~

~~(1) to (8) No change.~~

~~b. A form for the antifraud plan that is required to be submitted with an application pursuant to Iowa Code section 508E.3, to meet the requirements of Iowa Code section 508E.15, can be found on the commissioner’s Web site division’s website.~~

~~c. and d. No change.~~

**48.3(2) Viatical settlement broker.**

~~a. To be considered for licensure as a viatical settlement broker pursuant to Iowa Code section 508E.3, a person must complete the viatical settlement broker application form found at the commissioner’s Web site, file the a completed viatical settlement broker application in the format prescribed by the commissioner, and include the payment of pay an application fee in the amount of \$100. In addition to finding compliance with Iowa Code section 508E.3, the commissioner also shall find that the applicant:~~

~~(1) to (3) No change.~~

~~b. A form for the antifraud plan that is required to be submitted with an application pursuant to Iowa Code section 508E.3, to meet the requirements of Iowa Code section 508E.15, can be found on the commissioner’s Web site division’s website.~~

~~c. No change.~~

**48.3(3)** No change.

**48.3(4) License term.**

~~a. No change.~~

b. A viatical settlement provider license is valid for ~~one year~~ three years and automatically terminates on the last day of the month of the anniversary of the issue date unless renewed pursuant to subrule 48.3(6).

c. A viatical settlement broker license is valid for an initial term of ~~one year~~ three years from the last day of the applicant's anniversary month following the issuance of the license, and automatically terminates on the last day of the month of the initial term unless renewed pursuant to subrule 48.3(6).

d. and e. No change.

**48.3(5) Continuing education for viatical settlement broker.**

a. An individual licensed as a viatical settlement broker ~~shall~~ must complete ~~15~~ 36 credits of approved continuing education during every ~~two license terms~~ term. A license term is as set forth in paragraph 48.3(4)"c," and, ~~for purposes of this rule, the two-term continuing education requirement shall be called the "CE reporting term."~~ 48.3(4)"c."

b. The required continuing education credits shall include a minimum of:

(1) ~~Thirteen~~ Thirty-three credits related to life insurance, viatical settlements and viatical settlement transactions; and

(2) ~~Two~~ Three credits in ethics.

c. No change.

d. The license of a viatical settlement broker who fails to comply with this continuing education requirement ~~shall~~ will terminate.

e. No change.

f. A viatical settlement broker cannot carry over excess continuing education credits from one CE reporting license term to the next ~~continuing education credits earned in excess of the viatical settlement broker's CE reporting term requirements.~~

g. and h. No change.

i. A viatical settlement broker cannot receive continuing education credit for the same course twice in one CE reporting license term. A viatical settlement broker cannot receive continuing education credit both for the classroom portion and for the examination portion of a national designation program as defined in 191—subrule 11.5(5).

j. to m. No change.

**48.3(6) License renewal.** A viatical settlement provider license or a viatical settlement broker license may be renewed as follows:

a. A viatical settlement provider license may be renewed by payment of \$100 within ~~60~~ 90 days prior to the expiration date of the license and by demonstration that the viatical settlement provider continues to meet the requirements of Iowa Code section 508E.3 and subrule 48.3(1), has provided biographical affidavits not older than one year prior to the renewal date on all persons listed in subparagraph 48.3(1)"a"(4), has provided business character reports for any new persons listed in subparagraph 48.3(1)"a"(4), and has provided the reports required by rule ~~48.7(508E)~~ 191—48.7(508E).

(1) If renewal is approved, the license will be renewed effective the last day of the month of the anniversary of the issue date in the renewal year, will be valid for ~~one year~~ three years, and will automatically terminate on the last day of the month of the anniversary of the issue date in the following renewal year unless renewed pursuant to this subrule 48.3(6).

(2) No change.

b. A viatical settlement broker license may be renewed by demonstration of completion of continuing education as required in subrule 48.3(5) and payment of \$100 within ~~60~~ 90 days prior to the expiration date of the license. If renewal is approved, the license will be renewed effective the last day of the month of the anniversary of the issue date in the renewal year, will be valid for ~~one year~~ three years, and will automatically terminate on the last day of the month of the anniversary of the issue date in the following renewal year unless renewed pursuant to this subrule 48.3(6).

c. to e. No change.

**48.3(7) License reinstatement.**

a. A viatical settlement broker may reinstate an expired license up to 12 months after the license expiration date by proving that during the ~~CE reporting~~ license term the viatical settlement broker met the CE requirements found in subrule 48.3(5), and by paying to the commissioner a reinstatement fee and license renewal fee. A viatical settlement broker who fails to apply for license reinstatement within 12 months of the license expiration date must apply for a new license.

b. No change.

**48.3(8)** *Reinstatement or reissuance of a license after suspension, revocation or forfeiture in connection with disciplinary matters; and forfeiture in lieu of compliance.*

a. The term “reinstatement” as used in this subrule means the reinstatement of a suspended license. The term “reissuance” as used in this subrule means the issuance of a new license following either the revocation of a license, the suspension and subsequent termination of a license, or the forfeiture of a license in connection with a disciplinary matter. This subrule does not apply to the reinstatement of an expired license or the issuance of a new license after the reinstatement period has passed that is not in connection with a disciplinary matter.

b. Any viatical settlement broker whose license has been revoked or suspended by order, or who forfeited a license in connection with a disciplinary matter, ~~may~~ must apply to the commissioner for reinstatement or reissuance in accordance with the terms of the order of revocation or suspension or the order accepting the forfeiture.

(1) and (2) No change.

(3) A viatical settlement broker may request reinstatement of a suspended license prior to the end of the suspension term; however, reinstatement will not be effected until the suspension period has ended.

(4) No change.

c. All proceedings upon the application for reinstatement or reissuance, including matters preliminary and ancillary thereto, shall be held in accordance with Iowa Code chapter 17A. Such application shall be docketed in the original case in which the ~~original~~ license was suspended, revoked, or forfeited, if a case exists.

d. An order of reinstatement or reissuance ~~shall must be based upon~~ shall must be based upon a written decision ~~which that~~ which that incorporates findings of fact and conclusions of law. An order granting an application for reinstatement or reissuance may impose such terms and conditions as the commissioner or the commissioner’s designee deems ~~desirable~~ appropriate, which may include one or more of the types of disciplinary sanctions provided by this chapter or by Iowa Code chapter 508E. The order ~~shall be~~ is a public record, ~~available to the public~~, and may be disseminated in accordance with Iowa Code chapter 22.

e. ~~A request for submission of~~ A request for submission of voluntary forfeiture of a license ~~shall must be~~ shall must be made in writing ~~to~~ in the format prescribed by the commissioner. Forfeiture of a license is effective upon the submission of the request unless a contested case proceeding is pending at the time ~~the request is submitted of the submission.~~ If a contested case proceeding is pending ~~at the time of the request~~, the forfeiture becomes effective when and upon such conditions as required by order of the commissioner. A forfeiture made during the pendency of a contested case proceeding is considered a disciplinary action and ~~shall must be~~ published in the same manner as is applicable to any other form of disciplinary order.

f. No change.

g. When a viatical settlement broker’s license has been suspended for a period of time ~~which that~~ that extends beyond the viatical settlement broker’s license expiration date, the license ~~will terminate~~ terminates at the license expiration date, and the viatical settlement broker must request ~~reinstatement~~ reissuance pursuant to this subrule 48.3(7). However, reissuance will not be effected until the suspension period has ended. If suspension for a period of time ends prior to the viatical settlement broker’s license expiration date, and the viatical settlement broker has met all applicable requirements, the commissioner ~~shall must~~ shall must reinstate the license ~~at as soon as practicable but no earlier than~~ at as soon as practicable but no earlier than the end of the suspension period pursuant to paragraph 48.3(8)“b.” The commissioner is not prohibited from denying an application for reinstatement or reissuance or bringing an additional immediate action if the viatical settlement broker has engaged in misconduct during the period of suspension.

**48.3(9) to 48.3(11)** No change.

**48.3(12)** *Fees.*

- a. Fees shall be paid by check, money order, or credit card.
- b. The fee for an examination ~~shall~~ may be set by the outside testing service under contract with the division and must be approved by the division.
- c. The ~~annual~~ fee for issuance or renewal of a viatical broker, legal entity or provider license is \$100.
- d. The fee for reinstatement or reissuance of a viatical broker, legal entity or provider license is ~~the sum of the renewal fee plus \$100.~~ In addition, applicable issuance or renewal fees will be assessed.
- e. No change.

ITEM 33. Rescind rule 191—48.11(252J) and adopt the following new rule in lieu thereof:

**191—48.11(252J,272D) Suspension for failure to pay child support or state debt.** The division must follow the procedures in rule 191—10.21(252J,272D) relating to producer suspension for failure to pay child support or state debt for viatical settlement brokers, replacing “producer” with “viatical settlement broker.”

ITEM 34. Rescind and reserve rule **191—48.12(261).**

ITEM 35. Rescind and reserve rule **191—48.13(272D).**

ITEM 36. Amend **191—Chapter 48**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapters 508E, 252J, ~~261~~ and 272D.