

## INSURANCE DIVISION[191]

### Notice of Intended Action

#### **Proposing rule making related to review of rules and providing an opportunity for public comment**

The Insurance Division hereby proposes to amend Chapter 15, “Unfair Trade Practices,” Chapter 16, “Replacement of Life Insurance and Annuities,” Chapter 25, “Military Sales Practices,” Chapter 28, “Credit Life and Credit Accident and Health Insurance,” Chapter 30, “Life Insurance Policies,” Chapter 33, “Variable Life Insurance Model Regulation,” and Chapter 70, “Utilization Review,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code sections 505.8, 505.27A, 505B.1, 507B.4, 507B.12, 508A.4, 509.16, 514F.3 and 522B.18.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapters 505B, 507B, 508, 508A, 509, 514F and 522B and Iowa Code section 505.27A.

#### *Purpose and Summary*

The proposed amendments are a result of the Division’s review of rules and generally update the chapters by removing duplicative definitions and unnecessary language, clarifying procedures, correcting statute references, conforming to current Iowa Code language, and reflecting current practices.

#### *Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

#### *Jobs Impact*

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

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 191—Chapter 4.

#### *Public Comment*

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received no later than 12 noon on November 30, 2021. Comments should be directed to:

Tracy Swalwell  
Iowa Insurance Division  
1963 Bell Avenue, Suite 100  
Des Moines, Iowa 50315  
Phone: 515.654.6549  
Email: [tracy.swalwell@iid.iowa.gov](mailto:tracy.swalwell@iid.iowa.gov)

### *Public Hearing*

If requested, a public hearing at which persons may present their views orally or in writing will be held as follows:

November 30, 2021  
10 a.m.

Via conference call

A conference call number will be available prior to the hearing on the Division's web page at [iid.iowa.gov/hearings](http://iid.iowa.gov/hearings). Persons wishing to attend the hearing may also contact Tracy Swalwell for hearing information. Persons who wish to make oral comments at the public hearing must submit a request to Tracy Swalwell prior to the public hearing to facilitate an orderly hearing. Persons will 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 Tracy Swalwell and advise of specific needs.

The public hearing will be canceled without further notice if no public hearing is requested by 12 noon on November 24, 2021.

### *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 paragraph **15.13(1)“b”** as follows:

*b.* An insurer shall maintain a complete record of all the complaints received since the date of its last examination by the insurer's state of domicile or port-of-entry state. This record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of each complaint, and the time it took to process each complaint. Appendix IV ~~III~~ sets forth the minimum information required to be contained in the complaint record.

ITEM 2. Amend paragraph **15.14(1)“c”** as follows:

*c.* Payment of interest at the rate of 10 percent per annum if the commissioner finds that the insurer failed to pay interest as required under Iowa Code section ~~507B.4, subsection 12~~ 507B.4(3)“p”;

ITEM 3. Amend paragraph **15.32(1)“a,”** definitions of “Clean claim” and “Insurer,” as follows:

“*Clean claim*” means clean claim as defined in ~~2001 Iowa Acts, chapter 69, section 8(2b)~~ Iowa Code section 507B.4A.

“*Insurer*” means insurer as defined in ~~2001 Iowa Acts, chapter 69, section 7~~ Iowa Code section 507B.4.

ITEM 4. Amend rule **191—15.32(507B)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 507B.4A, 514G.102 and 514G.111 ~~and 2015 Iowa Acts, House File 632, section 21~~.

ITEM 5. Amend rule **191—15.33(507B)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code section 507B.4, ~~subsection 9, as amended by 2001 Iowa Acts, chapter 69~~.

ITEM 6. Amend paragraph **15.64(1)“d”** as follows:

*d.* When an application is received via the Internet:

(1) Taking reasonable steps to make the Buyer's Guide available for viewing and printing on the insurer's ~~Web site~~ website shall be deemed to satisfy the requirement that the Buyer's Guide be provided no later than five business days after receipt of the application.

(2) Taking reasonable steps to make the disclosure document available for viewing and printing on the insurer's ~~Web site~~ website shall be deemed to satisfy the requirement that the disclosure document be provided no later than five business days after receipt of the application.

ITEM 7. Amend paragraph **15.65(1)“b”** as follows:

b. The insurer's legal name, physical address, ~~Web site~~ website address and telephone number;

ITEM 8. Amend subrule 15.83(1) as follows:

**15.83(1)** The indexed products training shall include information on all topics listed in the most recent version of the indexed products training outline available at the division's ~~Web site,~~ www.iid.iowa.gov website, iid.iowa.gov.

ITEM 9. Amend rule 191—15.85(507B,522B) as follows:

**191—15.85(507B,522B) Verification of training.** Insurers, producers and third-party contractors may verify a producer's completion of the indexed products training by accessing the division's ~~Web site at~~ www.iid.iowa.gov website, iid.iowa.gov.

ITEM 10. Amend rule **191—16.22(507B)**, definition of “Producer,” as follows:

“*Producer*” means a person licensed under Iowa Code chapter ~~522~~ 522B.

ITEM 11. Amend paragraph **16.23(1)“b”** as follows:

b. Group life insurance or group annuities where there is no direct solicitation of individuals by an insurance producer. Direct solicitation shall not include any group meeting held by an insurance producer solely for the purpose of educating or enrolling individuals or, when initiated by an individual member of the group, assisting with the selection of investment options offered by a single insurer in connection with enrolling that individual. Group life insurance or group annuity certificates marketed through direct-response solicitation shall be subject to the provisions of rule ~~16.28(507B)~~ 191—16.28(507B).

ITEM 12. Amend subrule 25.1(3) as follows:

**25.1(3)** This chapter is issued under the authority of ~~2007 Iowa Acts, House File 499, section 7~~ Iowa Code section 505.27A.

ITEM 13. Amend rule **191—25.4(505)**, definitions of “Insurance producer,” “Insurer” and “MyPay,” as follows:

“*Insurance producer*” means ~~a person required to be licensed under the laws of this state to sell, solicit or negotiate life insurance, including annuities~~ the same as defined in Iowa Code section 522B.1.

“*Insurer*” means ~~an insurance company required to be licensed under the laws of this state to provide life insurance products, including annuities~~ the same as defined in Iowa Code section 522B.1.

“*MyPay*” is a Defense Finance and Accounting Service (DFAS) ~~Web-based~~ web-based system that enables service members to process certain discretionary pay transactions or provide updates to personal information data elements without using paper forms.

ITEM 14. Amend rule 191—25.7(505) as follows:

**191—25.7(505) Reporting requirements.** No insurer may participate in any military sales unless that insurer has implemented a system to report to the Iowa insurance commissioner in a manner prescribed by the commissioner any military sales disciplinary actions about which the insurer had actual awareness, or in the exercise of ordinary care should have known, at the time of the action, and unless the insurer also has reported such action to the commissioner. Failure to comply with this rule shall be a violation of this chapter and shall subject the insurer to penalties set forth in rule ~~25.8(505)~~ 191—25.8(505).

ITEM 15. Amend **191—Chapter 25**, implementation sentence, as follows:

These rules are intended to implement Iowa Code ~~chapter 505 and 2007 Iowa Acts, House File 499,~~ section 7 section 505.27A.

ITEM 16. Amend rule **191—28.2(509)**, definition of “Consumer credit transaction,” as follows:  
“*Consumer credit transaction*” ~~shall have the same definition as set out as defined in Iowa Code section 537.1301(11) to (14) 537.1301.~~

ITEM 17. Amend subrule 28.3(7) as follows:

**28.3(7) *Renewal or refinancing of the indebtedness.*** If the indebtedness is discharged due to renewal or refinancing prior to the scheduled maturity date, the insurance in force shall be terminated before any new insurance may be issued in connection with the renewed or refinanced indebtedness. In all cases of termination prior to scheduled maturity, a refund shall be paid or credited to the debtor as provided in rule ~~28.8(509)~~ **191—28.8(509)**. In any renewal or refinancing of the indebtedness, the effective date of the coverage as respects any policy provision shall be deemed to be the first date on which the debtor became insured under the policy covering the indebtedness which was renewed or refinanced, at least to the extent of the amount and term of the indebtedness outstanding at the time of renewal and refinancing of the debt. This subrule shall apply to all consumer credit transactions renewed pursuant to Iowa Code section 537.2504 or 537.2505.

ITEM 18. Amend subrules 28.3(9) and 28.3(10) as follows:

**28.3(9) *Voluntary prepayment of indebtedness.*** If a debtor prepays the indebtedness other than as a result of death or through a lump sum disability payment:

*a.* Any credit life insurance covering the indebtedness shall be terminated and an appropriate refund of the credit life insurance premium shall be paid to the debtor in accordance with rule ~~28.9(509)~~ **191—28.9(509)**; and

*b.* Any credit accident and health insurance covering the indebtedness shall be terminated and an appropriate refund of the credit accident and health insurance premium shall be paid to the debtor in accordance with rule ~~28.9(509)~~ **191—28.9(509)**. If a claim under the coverage is in progress at the time of prepayment, the amount of refund may be determined as if the prepayment did not occur until the payment of benefits terminates. No refund need be paid during any period of disability for which credit accident and health benefits are payable. A refund shall be computed as if prepayment occurred at the end of the disability period.

**28.3(10) *Involuntary prepayment of indebtedness.*** If an indebtedness is prepaid by the proceeds of a credit life insurance policy covering the debtor or by a lump sum payment of a disability claim under a credit insurance policy covering the debtor, then it shall be the responsibility of the insurer to see that the following are paid to the insured debtor, if living, or the beneficiary, other than the creditor, named by the debtor or to the debtor’s estate:

*a.* In the case of prepayment by the proceeds of a credit life insurance policy, or by the proceeds of a lump sum total and permanent disability benefit under credit life coverage, an appropriate refund of the credit accident and health insurance premium in accordance with rule ~~28.9(509)~~ **191—28.9(509)**;

*b.* In the case of prepayment by a lump sum disability claim, an appropriate refund of the credit life insurance premium in accordance with rule ~~28.9(509)~~ **191—28.9(509)**;

*c.* No change.

ITEM 19. Amend rule **191—28.5(509)** as follows:

**191—28.5(509) Determination of reasonableness of benefits in relation to premium charge.**

**28.5(1) *General standard.*** Under the credit insurance law, benefits provided by credit insurance policies must be reasonable in relation to the premium charged. This requirement is satisfied if the premium rate charged develops or may be reasonably expected to develop a loss ratio of not less than 50 percent. With the exception of deviations approved under rule ~~28.11(509)~~ **191—28.11(509)**, the rates shown in rules ~~28.7(509)~~ **191—28.7(509)** and ~~28.8(509)~~ **191—28.8(509)**, as adjusted pursuant to rule ~~28.10(509)~~ **191—28.10(509)**, shall be conclusively presumed to satisfy this general standard.

**28.5(2) *Nonstandard coverage.*** If any insurer files for approval of any form providing coverage more restrictive than that described in rules ~~28.7(509)~~ **191—28.7(509)** and ~~28.8(509)~~ **191—28.8(509)**, the insurer shall demonstrate to the satisfaction of the insurance commissioner that the premium rates to

be charged for the restricted coverage will develop or may be reasonably expected to develop a loss ratio not less than that contemplated for standard coverage at the premium rates described in these rules.

**28.5(3) Coverage without separate charge.** If no specific charge is made to the debtor for credit insurance, the standards of this rule are not required to be used; but any premium rates resulting from the standards used which exceed the premium rate standards set out in rules ~~28.7(509)~~ 191—28.7(509) and ~~28.8(509)~~ 191—28.8(509) must be filed with the insurance commissioner. For purposes of this subrule, it will be considered that the debtor is charged a specific amount for insurance if an identifiable charge for insurance is disclosed in the credit or other instrument furnished the debtor which sets out the financial elements of the credit transactions, or if there is a differential in finance, interest, service or other similar charge made to debtors who are in like circumstances, except for their insured or noninsured status.

ITEM 20. Amend subrule 28.10(2) as follows:

**28.10(2)** The insurance commissioner will, no later than on a triennial basis, review the loss ratio standards set forth in rule ~~28.5(509)~~ 191—28.5(509), and the prima facie rates set forth in rules ~~28.7(509)~~ 191—28.7(509) and ~~28.8(509)~~ 191—28.8(509) and determine the rate of expected claims on a statewide basis, compare the rate of expected claims with the rate of actual claims for the preceding triennium determined from the incurred claims and earned premiums at prima facie rates reported in the annual statement supplement, and publish the adjusted actual statewide prima facie rates to be used by insurers during the next triennium. These rates will reflect the difference between (a) actual claims based on experience; and (b) expected claims based on the loss ratio standards set forth in rule ~~28.5(509)~~ 191—28.5(509) applied to the prima facie rates set forth in rules ~~28.7(509)~~ 191—28.7(509) and ~~28.8(509)~~ 191—28.8(509).

ITEM 21. Amend subrules 28.11(2) and 28.11(3) as follows:

**28.11(2) Use of prima facie rates.** An insurer that files rates or has rates on file that are not in excess of the prima facie rates shown in rules ~~28.7(509)~~ 191—28.7(509) and ~~28.8(509)~~ 191—28.8(509), to the extent adjusted pursuant to rule ~~28.10(509)~~ 191—28.10(509), may use those rates without further proof of their reasonableness.

**28.11(3) Use of rates higher than prima facie rates.** An insurer may file for approval of and use rates that are higher than the prima facie rates shown in rules ~~28.7(509)~~ 191—28.7(509) and ~~28.8(509)~~ 191—28.8(509), to the extent adjusted pursuant to rule ~~28.10(509)~~ 191—28.10(509), if it can be expected that the use of higher rates will result in a ratio of claims incurred to premiums earned (assuming the use of the higher rates) that is not less than 50 percent for those accounts to which the higher rates apply and that the upward deviations will not result on a statewide basis in that insurer having a ratio of claims incurred to premiums earned less than the expected loss ratio underlying the current prima facie rate developed or adjusted pursuant to rule ~~28.10(509)~~ 191—28.10(509).

If rates higher than the prima facie rates shown in rules ~~28.7(509)~~ 191—28.7(509) and ~~28.8(509)~~ 191—28.8(509), to the extent adjusted pursuant to rule ~~28.10(509)~~ 191—28.10(509), are filed for approval, the filing shall specify the account to which the rates apply. The rates may be:

a. and b. No change.

ITEM 22. Amend rule ~~191—30.1(508)~~ as follows:

**191—30.1(508) Purpose.** In the best interest of the citizens of Iowa and to maintain a fair and honest life insurance market, certain types of life policy forms and certain policy provisions shall be either prohibited, altered or clarified as set out herein.

This rule is intended to implement Iowa Code section 505.8 and chapter 508.

ITEM 23. Amend rule ~~191—30.2(508)~~ as follows:

**191—30.2(508) Scope.** These rules shall apply to all insurance policies issued by insurance companies holding a certificate of authority under the provisions of Iowa Code chapter 508.

This rule is intended to implement Iowa Code section 505.8 and chapter 508.

ITEM 24. Amend rule 191—30.3(508) as follows:

**191—30.3(508) Definitions.** Certain life insurance policy forms and provisions referred to herein shall have the following meaning:

**30.3(1)** ~~“Founders policy.” The term or name assigned to~~ “Founders policy” means a policy of insurance offered to the public by a newly organized stock life insurance company, issued on a participating basis with the representations that the purchasers will share preferentially in the future divisible surplus earnings of the company arising from all classes of business, both participating and nonparticipating, and all plans of insurance.

**30.3(2)** ~~“Profit-sharing policy.” It is any~~ “Profit-sharing policy” means a policy form which contains provisions or is represented in such a way that the policyholder will be eligible to preferentially participate in any future distribution of general corporate profits.

**30.3(3)** ~~“Coupon policy.” It is any~~ “Coupon policy” means a policy or contract of life insurance, other than annuity, which contains in addition to basic life insurance benefits a series of annual pure endowment benefits evidenced in the policy contract by a series of coupons each of which matures on the maturation date of an annual pure endowment. For the purposes of these rules, policies containing annual pure endowments evidenced by coupons, passbooks or other devices generally acquainted with savings, banking or investment institutions shall be considered coupon policies.

**30.3(4)** ~~“Pure endowment benefit.” It is~~ “Pure endowment benefit” means a guaranteed insurance benefit, actuarially determined, the payment of which is contingent upon the survival of the insured to a specific point in time.

ITEM 25. Amend rule 191—30.4(508) as follows:

**191—30.4(508) Prohibitions, regulations and disclosure requirements.** In accordance with the purpose expressed in ~~30.1(508)~~ rule 191—30.1(508) and in conjunction with the intent of Iowa Code section 508.28, the use of certain types of policy forms and policy provisions shall be subject to the following prohibitions and regulations:

**30.4(1) to 30.4(5)** No change.

This rule is intended to implement Iowa Code sections 508.25 and 508.28.

ITEM 26. Adopt the following **new** implementation sentence in rule **191—30.5(508)**:

This rule is intended to implement Iowa Code sections 508.25 and 508.28.

ITEM 27. Adopt the following **new** implementation sentence in rule **191—30.6(508)**:

This rule is intended to implement Iowa Code sections 508.25 and 508.28.

ITEM 28. Adopt the following **new** implementation sentence in rule **191—30.7(508,515)**:

This rule is intended to implement Iowa Code sections 508.2 and 515.109.

ITEM 29. Amend rule 191—30.8(509) as follows:

**191—30.8(505B,509) Electronic delivery of group life insurance certificates.**

**30.8(1) to 30.8(4)** No change.

This rule is intended to implement Iowa Code chapters 505B and 509.

ITEM 30. Amend rule 191—30.9(505,508) as follows:

**191—30.9(505 505B,508) Notice of cancellation, nonrenewal or termination of life insurance and annuities.**

**30.9(1) to 30.9(4)** No change.

This rule is intended to implement Iowa Code chapters 505B and 508.

ITEM 31. Rescind the chapter implementation sentence in **191—Chapter 30**.

ITEM 32. Amend rule 191—33.2(508A) as follows:

**191—33.2(508A) Definitions.** As used in this chapter:

**33.2(1)** “*Affiliate*” of an insurer means any person, directly or indirectly, controlling, controlled by, or under common control with such insurer; any person who regularly furnishes investment advice to such insurer with respect to its separate accounts for which a specific fee or commission is charged; or any director, officer, partner, or employee of any such insurer, controlling or controlled person, or person providing investment advice or any member of the immediate family of such person.

**33.2(2)** ~~Rescinded IAB 3/24/99, effective 4/28/99.~~

**33.2(3)** “*Assumed investment rate*” means the rate of investment return which would be required to be credited to a variable life insurance policy, after deduction of charges for taxes, investment expenses, and mortality and expense guarantees to maintain the variable death benefit equal at all times to the amount of death benefit, other than incidental insurance benefits, which would be payable under the plan of insurance if the death benefit did not vary according to the investment experience of the separate account.

**33.2(4)** “*Benefit base*” means the amount to which the net investment return is applied.

**33.2(5)** “*Commissioner*” means the ~~insurance commissioner of the state of Iowa.~~ same as defined in rule 191—1.1(502,505).

**33.2(6)** “*Control*” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management of policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing more than 10 percent of the voting securities of any other person. This presumption may be rebutted by a showing made to the satisfaction of the commissioner that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

**33.2(7)** “*Flexible premium policy*” means any variable life insurance policy other than a scheduled premium policy as specified in subrule 33.2(15).

**33.2(8)** “*General account*” means all assets of the insurer other than assets in separate accounts established pursuant to Iowa Code section 508A.1 or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer, whether or not for variable life insurance.

**33.2(9)** “*Incidental insurance benefit*” means all insurance benefits in a variable life insurance policy, other than the variable death benefit and the minimum death benefit, including but not limited to accidental death and dismemberment benefits, disability benefits, guaranteed insurability options, family income, or term riders.

**33.2(10)** “*May*” is permissive.

**33.2(11)** “*Minimum death benefit*” means the amount of the guaranteed death benefit, other than incidental insurance benefits, payable under a variable life insurance policy regardless of the investment performance of the separate account.

**33.2(12)** “*Net investment return*” means the rate of investment return in a separate account to be applied to the benefit base.

**33.2(13)** “*Person*” means an individual, corporation, partnership, association, trust, or fund.

**33.2(14)** “*Policy processing day*” means the day on which charges authorized in the policy are deducted from the policy’s cash value.

“*Producer*” means the same as defined in rule 191—10.2(522B).

**33.2(15)** “*Scheduled premium policy*” means any variable life insurance policy under which both the amount and timing of premium payments are fixed by the insurer.

**33.2(16)** “*Separate account*” means a separate account established pursuant to Iowa Code section 508A.1 or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer.

**33.2(17)** “*Shall*” is mandatory.

**33.2(18)** “*Variable death benefit*” means the amount of death benefit, other than incidental insurance benefits, payable under a variable life insurance policy dependent on the investment performance of the separate account, which the insurer would have to pay in the absence of any minimum death benefit.

**33.2(19)** “*Variable life insurance policy*” means any individual policy which provides for life insurance the amount or duration of which varies according to the investment experience of any separate account or accounts established and maintained by the insurer as to such policy, pursuant to Iowa Code section 508A.1 or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer.

ITEM 33. Amend subrule 33.3(2), introductory paragraph, as follows:

**33.3(2)** *Filing for approval to do business in this state.* ~~The commissioner may, at the commissioner’s discretion, require that an~~ An insurer, before it delivers or issues for delivery any variable life insurance policy in this state, shall file with this division the commissioner the following information for the consideration of the commissioner in making the determination required by subrule 33.3(1):

ITEM 34. Amend subrule 33.4(1) as follows:

**33.4(1)** *Filing of variable life insurance policies.* All Prior to delivery or issuance for delivery in this state, all variable life insurance policies, and all riders, endorsements, applications and other documents which are to be attached or made a part of the policy and which relate to the variable nature of the policy, shall be filed with the commissioner using the National Association of Insurance Commissioners’ System for Electronic Rate and Form Filing (SERFF) and shall be approved by the commissioner prior to delivery or issuance for delivery in this state. Insurance companies must comply with the commissioner’s requirements regarding filing, including SERFF general instructions, Iowa general instructions and the specific submission requirements for the type of insurance for which the companies are submitting documents, as set out on the SERFF website at [www.serff.org](http://www.serff.org).

*a. and b.* No change.

*c.* A filing which has not been previously approved, disapproved or questioned shall be deemed approved on or after 30 days from its receipt by the division commissioner.

ITEM 35. Amend subparagraph **33.4(3)“a”(5)** as follows:

(5) A captioned provision that the policyholder may return the variable life insurance policy within ten days of receipt of the policy by the policyholder, and receive a refund equal to the sum of:

1. No change.

2. The value of the amounts allocated to any separate accounts under the policy, on the date the returned policy is received by the insurer or its agent producer;

ITEM 36. Amend subparagraph **33.6(10)“c”(4)** as follows:

(4) A statement provided by the proposed advisor as to whether the advisor or any person associated therewith:

Has been convicted within ten years of any felony or misdemeanor arising out of such person’s conduct as an employee, salesperson, officer or director of an insurance company, a banker, an insurance agent producer, a securities broker, or an investment advisor involving embezzlement, fraudulent conversion, or misappropriation of funds or securities, or involving the violation of Section 1341, 1342, or 1343 of Title 18 of United States Code;

Has been permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment advisor, underwriter, broker, or dealer, or as an affiliated person or as an employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity;

Has been found by federal or state regulatory authorities to have willfully violated or have acknowledged willful violation of any provision of federal or state securities laws or state insurance laws or of any rule or regulation under any such laws; or

Has been censured, denied an investment advisor registration, had a registration as an investment advisor revoked or suspended, or been barred or suspended from being associated with an investment advisor by order of federal or state regulatory authorities; and

ITEM 37. Amend subrule 35.8(1) as follows:

**35.8(1) Purpose.** The purpose of this rule is to authorize the electronic delivery of accident and health group insurance certificates in an efficient manner by insurers and group policyholders, while guaranteeing that individual plan members still receive the important information contained in such group insurance certificates, as required by Iowa Code section ~~509.3(2)~~, 509.3(1) “b,” and as allowed by the uniform electronic transactions Act, Iowa Code chapter 554D.

ITEM 38. Amend subrule 35.8(3), introductory paragraph, as follows:

**35.8(3) Electronic delivery—insurance companies.** The insurer will be deemed to comply with the requirements of Iowa Code section ~~509.3(2)~~ 509.3(1) “b” if the group insurance certificate is delivered to the group policyholder electronically and if:

ITEM 39. Amend subrule 35.8(4), introductory paragraph, as follows:

**35.8(4) Electronic delivery—group policyholders.** The group policyholder will be deemed to comply with the requirements of Iowa Code section ~~509.3(2)~~ 509.3(1) “b” if the group insurance certificate is delivered to the individual plan member electronically and if:

ITEM 40. Amend rule 191—70.4(505,514F) as follows:

**191—70.4(505,514F) Standards.** For the purpose of certification and compliance under rule ~~70.3(505,514F)~~ 191—70.3(505,514F), the most recently available utilization review standards adopted by URAC shall be used.

A copy of the standards and application for accreditation may be obtained from the Utilization Review Accreditation Commission, 1227 25th Street N.W., Suite 610, Washington, D.C. 20037 at [www.urac.org](http://www.urac.org). A copy of the standards shall be readily available and maintained on the premises of any third-party payor conducting utilization review.

ITEM 41. Amend rule 191—70.8(76GA,ch1202) as follows:

**191—70.8(~~76GA,ch1202~~ 514C) Utilization review of postdelivery benefits and care.** When performing utilization review of inpatient hospital services related to maternity and newborn care, including but not limited to length of postdelivery stay and postdelivery follow-up care, a third-party payor shall use the guidelines adopted under the provisions of rule 191—81.3(~~76GA,ch1202~~ 514C) and shall not deselect, require additional documentation, require additional utilization review, terminate services to, reduce payment to, or in any manner provide a disincentive to an attending physician solely on the basis that the attending physician provided or directed the provision of services in compliance with those guidelines. This does not preclude a third-party payor from monitoring a patient’s stay or making reasonable inquiries necessary to assess patient progress in accordance with the guidelines and to coordinate discharge planning or postdischarge care.

This rule is intended to implement Iowa Code section 514C.11.

ITEM 42. Amend subrules 70.10(1) and 70.10(2) as follows:

**70.10(1) Purpose.** This rule implements Iowa Code section 514F.6 as amended by 2010 Iowa Acts, Senate File 2201, section 16, which provides for the retrospective payment of clean claims for covered services provided by a physician, advanced registered nurse practitioner or physician assistant during the credentialing period, once the physician, advanced registered nurse practitioner or physician assistant is credentialed.

**70.10(2) Definitions.** For purposes of this rule, the definitions found in Iowa Code section 514F.6 as amended by 2010 Iowa Acts, Senate File 2201, section 16, shall apply. In addition, the following definitions shall apply:

*“Application date”* means the date on which the health insurer or other entity responsible for the credentialing of health care professionals on behalf of the health insurer receives the health care professional’s completed application for credentialing.

*“Clean claim”* means clean claim as defined in Iowa Code section 507B.4A(2) “b.”

*“Health care professional”* means a physician, advanced registered nurse practitioner or physician assistant.

*“Health insurer”* means the same as a carrier, as defined in Iowa Code section 513B.2(4), that provides health insurance coverage, as defined in Iowa Code section 513B.2(12).