RA 26-150

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 158
"Foster Home Insurance Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237.13
State or federal law(s) implemented by the rulemaking: Iowa Code section 237.13

Public Hearing

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

July 28, 2026 10 a.m.	Microsoft Teams Meeting ID: 291 340 678 349 357 Passcode: LT7oc32E

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed chapter specifically relates to the Foster Home Insurance Fund established by Iowa Code section 237.13. The fund is established to provide reimbursement for any property damages caused by the acts of a foster child residing in a foster home. As a part of the Red Tape Review process laid out by Executive Order 10, the Department removed restrictive terms, streamlined duplicative information, and revised language to conform to modern procedures and practices.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

Eligible foster homes will benefit from these proposed rules by having clear requirements for what qualifies for reimbursement from the fund.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
- **Quantitative description of impact:**

This proposed rulemaking will help clarify what claims are eligible and how qualified foster homes can apply for reimbursement from the fund.

- **Qualitative description of impact:**

Foster homes will benefit from enhanced clarity on how to submit eligible claims from the fund.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Department incurs personnel and other administrative costs associated with enforcement of this proposed chapter.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an impact on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The establishment of the fund and rules to implement it are mandated by Iowa Code chapter 237.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking is not expected to have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 158 and adopt the following **new** chapter in lieu thereof:

CHAPTER 158
FOSTER HOME INSURANCE FUND

441—158.1(237) Definitions.

"Foster family home" means the same as defined in Iowa Code section 237.1.

"Personal property" means any movable thing of value that is owned, rented, or leased by a person and not recognized as real property.

"Real property" means anything owned, leased, or rented that is permanently affixed to, or built upon, a piece of land. Real property is best characterized as property that does not move or that is attached to the land.

"Third-party property" means property belonging to any person or entity other than the foster family or foster child.

441—158.2(237) Payments from the foster home insurance fund.

158.2(1) Eligible foster family claims. The foster home insurance fund shall pay the following within the limits defined in Iowa Code section 237.13(1):

a. Valid and approved claims of a licensed foster family home.

b. Compensation to licensed foster families for personal or real property damage and auto physical damage as a result of the activities of the family foster care child. Coverage also extends to third-party property damages caused by actions of the family foster care child.

158.2(2) Non-property-based liability, bodily injury, sexual abuse or molestation, auto liability, and professional liability are not covered.

441—158.3(237) Payment limits. The fund is not liable for the first $150 per claim deductible per family. Each claim is limited to one incident/occurrence. The fund is not liable for damages in excess of $5,000 for all claims arising out of one or more occurrences during a fiscal year related to a single home. Claims for losses related to bedbugs or other insect infestations will have an annual sublimit set by the department.

441—158.4(237) Claim procedures. Claims against the fund are filed with the department's approved contractor. Claims shall be filed on the Foster Home Property Fund Notice of Loss form. The decision to approve or deny the claim will be made by the department. The claimant will be notified of the decision within 180 days of the date the claim is received.

158.4(1) *Time frame for filing claims.* Claims shall be submitted within six months of the date of the occurrence.

158.4(2) *Appeals.* Claimants dissatisfied with the decision may request a fair hearing under the provisions of 441—Chapter 2506.

These rules are intended to implement Iowa Code section 237.13.