

**CHAPTER 1282**  
**BOARDS OF CERTAIN HEALTH SERVICE CORPORATIONS**  
*S.F. 2277*

**AN ACT** relating to the selection process of subscriber and provider directors of a board of a hospital service corporation, medical service corporation, dental service corporation, or pharmaceutical or optometric corporation by requiring the commissioner of insurance to adopt rules to establish criteria for the selection of nominees and to permit the nomination process by a petition, requiring the subscriber members of the board of such corporations to establish procedures to permit nomination by petition, and exempting the independent subscriber nominating committee from chapter 17A and prohibiting the members of such committee from receiving per diem and expenses and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 514.4, unnumbered paragraph 5, Code Supplement 1983, is amended to read as follows:

The commissioner of insurance shall adopt rules pursuant to chapter 17A to implement the process of the election of subscriber directors of the board of directors of a corporation to ensure the representation of a broad spectrum of subscriber interest on each board and establish criteria for the selection of nominees. The rules shall provide for an independent subscriber nominating committee to serve until the composition of the board of directors meets the percentage requirements of this section. Once the composition requirements of this section are met, the nominations for subscriber directors shall be made by the subscriber directors of the board under procedures the board establishes which shall also permit nomination by a petition of at least fifty subscribers. The board shall also establish procedures to permit nomination of provider directors by petition of at least fifty participating providers. A member of the board of directors of a corporation subject to this chapter shall not serve on the independent subscriber nominating committee. The nominating committee shall consist of subscribers as defined in this section ~~and procedures to~~. The rules of the commissioner of insurance shall also permit nomination of subscriber directors by a petition of at least fifty subscribers or providers, and nomination of provider directors by a petition of at least fifty participating providers. These petitions shall be considered only by the independent nominating committee during the duration of the committee. Following the discontinuance of the committee, the petition process shall be continued and the board of directors of the corporation shall consider the petitions. The independent subscriber nominating committee is not subject to chapter 17A. The nominating committee shall not receive per diem or expenses for the performance of their duties.

Sec. 2. This Act, being deemed of immediate importance, takes effect from and after its publication in the Kossuth County Advance, a newspaper published in Algona, Iowa, and in The Treynor Record, a newspaper published in Treynor, Iowa.

Approved May 15, 1984

I hereby certify that the foregoing Act, Senate File 2277 was published in The Treynor Record, Treynor, Iowa on May 24, 1984 and in the Kossuth County Advance, Algona, Iowa on June 2, 1984.

MARY JANE ODELL, *Secretary of State*

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## CHAPTER 1283

### NEW MOTOR VEHICLE REPAIR OR REPLACEMENT

*H.F. 2234*

**AN ACT** requiring repair or replacement of a new motor vehicle which does not conform to express warranties.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. NEW MOTOR VEHICLE WARRANTIES.

1. As used in this section:

a. "Consumer" means the original purchaser, other than for purposes of resale, of a motor vehicle for a personal, family, household, or agricultural purpose, any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle, and any other person entitled by the terms of the warranty to enforce the obligations of the warranty.

b. "Motor vehicle" means a new car or pickup as defined in section 321.1.

2. If a new motor vehicle does not conform to all applicable express warranties, and the consumer reports the nonconformity to the manufacturer, its agent or its authorized dealer during the term of the express warranties or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever term or period ends earlier, the manufacturer, its agent or its authorized dealer shall make repairs as are necessary to conform the vehicle to express warranties, notwithstanding the fact that repairs are made after the expiration of the term or the one-year period.

3. If the manufacturer, or its agents or authorized dealers are unable after a reasonable number of attempts to conform the motor vehicle to any applicable express warranty by repairing or correcting any defect or condition which substantially impairs the use and value of the motor vehicle to the consumer, the manufacturer shall replace the motor vehicle with a