

516E.2 Requirements for doing business — registration — fee.

1. A service contract shall not be issued, sold, or offered for sale in this state unless the service company does all of the following:

- a. Provides a receipt for the purchase of the service contract to the service contract holder.
- b. Provides a copy of the service contract to the service contract holder within a reasonable period of time after the date of purchase of the service contract.

2. A service company shall not issue a service contract or arrange to perform services pursuant to a service contract unless the service company is registered with the commissioner. A service company shall file a registration with the commissioner annually, on a form prescribed by the commissioner, accompanied by a registration fee in the amount of five hundred dollars. Fees collected under this subsection shall be deposited as provided in section 505.7.

3. In order to assure the faithful performance of a service company's obligations to its service contract holders, service contracts shall be secured by a reimbursement insurance policy in compliance with the requirements set forth in section 516E.4 or the service company shall comply with the financial responsibility and security standards set forth in section 516E.21.

4. a. The commissioner may issue an order denying, suspending, or revoking any registration if the commissioner finds that the order is in the public interest and finds any of the following:

(1) The registration is incomplete in any material respect or contains any statement which, in light of the circumstances under which the registration was made, is determined by the commissioner to be false or misleading with respect to any material fact.

(2) A provision of this chapter or a rule, order, or condition lawfully imposed under this chapter, has been willfully violated in connection with the sale of service contracts by any of the following persons:

(a) The person filing the registration, but only if the person filing the registration is directly or indirectly controlled by or acting for the service company.

(b) The service company, any partner, officer, or director of the service company or any person occupying a similar status or performing similar functions for the service company, or any person directly or indirectly controlling or controlled by the service company.

(3) The service company has not filed a document or information required under this chapter.

(4) The service company's literature or advertising is misleading, incorrect, incomplete, or deceptive.

(5) The service company has failed to pay the proper filing fee. However, the commissioner shall vacate an order issued pursuant to this paragraph when the proper fee has been paid.

b. The commissioner may vacate or modify an order issued under this subsection if the commissioner finds that the conditions which prompted the entry of the order have changed or that it is otherwise in the public interest to do so.

85 Acts, ch 45, §2

CS85, §321I.2

90 Acts, ch 1145, §2; 2000 Acts, ch 1147, §3, 15

C2001, §516E.2

2005 Acts, ch 70, §26; 2006 Acts, ch 1117, §79, 80; 2009 Acts, ch 181, §82

For future repeal of 2009 amendment to subsection 2, effective July 1, 2011, see 2009 Acts, ch 179, §146