

508C.18A Notice to policyholders — summary of chapter and disclosure.

1. *a.* Within one hundred eighty days after enactment of this section, the association shall prepare a summary document describing the general purposes and current provisions of this chapter and containing a disclosure in compliance with subsection 2. This summary document shall be submitted to the commissioner for approval. The approved summary document and disclosure shall be delivered to the owner of an insurance policy or contract as provided in this section.

b. This subsection is repealed July 1, 2012.

2. *a.* On or after March 1, 2012, an insurer shall not deliver an insurance policy or contract in Iowa to the owner of the policy or contract unless a summary document describing the general purposes and current provisions of this chapter and containing a disclosure in compliance with subsection 3 is delivered to the policy or contract owner at the same time.

b. The summary document shall also be available upon request by an insurance policy or contract owner.

c. The distribution, delivery, contents, or interpretation of this summary document does not guarantee that either the insurance policy or contract or the owner of the policy or contract is covered in the event of the impairment or insolvency of a member insurer.

d. The summary document shall be revised by the association and approved by the commissioner as amendments to this chapter may require. Failure to receive a summary document does not give the insurance policy or contract owner, certificate holder, or insured any greater rights than those stated in this chapter.

3. The summary document prepared pursuant to this section shall contain a clear and conspicuous disclosure on its face. The commissioner shall establish the form and content of the disclosure which shall do all of the following:

a. State the name and address of the association and the Iowa insurance division.

b. Prominently warn the insurance policy or contract owner that the association may not cover the policy or contract or, if coverage is available, it will be subject to substantial limitations and exclusions and conditioned on continued residence in this state.

c. State the types of insurance policies and contracts for which the association will provide coverage.

d. State that the insurer and its agents are prohibited by law from using the existence of the association for the purpose of sales, solicitation, or inducement to purchase any form of insurance.

e. State that the insurance policy or contract owner should not rely on coverage from the association when selecting an insurer.

f. Explain rights available and procedures for filing a complaint to allege a violation of any provisions of this chapter.

g. Provide other information as directed by the commissioner, including but not limited to sources for information about the financial condition of an insurer provided that the information is not proprietary and is subject to disclosure under chapter 22.

4. A member insurer shall retain evidence of compliance with the provisions of this section for as long as the insurance policy or contract for which the notice is given remains in effect.

2011 Acts, ch 70, §23

[T] NEW section