

70A.17 Payroll deduction for additional insurance coverage.

1. The state officer in charge of any of the state payroll systems shall deduct from the wages or salaries of a state officer or employee an amount specified by the officer or employee for payment to any company authorized to do business in this state for the purpose of purchasing insurance if all of the following conditions are met:

a. At least five hundred state officers or employees request the deduction to purchase insurance from the same company.

b. The request for the payroll deduction is made by the state officer or employee in writing to the officer in charge of the program.

c. The pay period during which the deduction is made, the frequency, and the amount of the deduction are compatible with the payroll system.

d. The insurance coverage to be purchased is not provided by the state.

e. The company providing the insurance enters into a written agreement with the state delineating each party's rights and responsibilities.

2. The moneys deducted under this section shall be paid to the company designated by the requesting state officers or employees. The deduction may be made even though the compensation paid to an officer or employee is reduced to an amount below the minimum prescribed by law. Payment to an officer or employee of compensation less the deduction shall constitute a full discharge of claims and demands for services rendered by the officer or employee during the period covered by the payment. The request for the deduction may be withdrawn at any time by filing a written notification of withdrawal with the state officer in charge of any of the state payroll systems.

3. The department of administrative services reserves the right to terminate an insurance company's participation in the program if the department receives complaints regarding the actions of the insurance company or its agents in relation to the program and such termination would be in the best interest of the state officers and employees; the department makes a determination that the insurance company has engaged in a pattern or practice of unfair, misleading, or fraudulent acts and such termination would be in the best interest of the state officers and employees; or the commissioner of insurance determines that the company has engaged in practices that would otherwise disqualify the company from providing insurance coverage in Iowa.

4. The department is authorized to establish and collect an administrative fee as deemed necessary and appropriate in an amount not to exceed the state's actual cost of providing the payroll deduction service.

2004 Acts, ch 1103, §75