

203D.6A Indemnification of eligible repayment claims — grain depositors and sellers indemnity fund.

1. A separate process is established to provide for the fund's indemnification of a repayment claim that includes a repayment loss incurred by a seller against a grain dealer, if the grain dealer is a debtor in bankruptcy under the protections provided in Tit. 11 of the United States Code.

a. A repayment claim that includes the repayment loss shall be filed with the department in the manner prescribed by the department.

b. A seller may file an eligible claim for a dollar value loss under [section 203D.6](#) and an eligible repayment claim for a repayment loss under [this section](#).

c. The department may reconcile a repayment claim filed under [this subsection](#) with a claim filed by the same claimant that is part of the same covered transaction under the claim period as provided in [section 203D.6](#).

2. To be timely, a seller must file a repayment claim with the department not later than sixty days after the amount of the seller's loss is finalized by a bankruptcy court, whether by an order issued, judgment entered, or settlement agreement approved.

3. The department may provide notice of the repayment claim process to a seller that may become or has become subject to an order issued, judgment entered, or settlement agreement approved by a bankruptcy court in the grain dealer's bankruptcy proceeding that requires the seller to pay back the amount previously received for grain purchased by the grain dealer. If the department chooses to provide a notice to the seller, it shall have discretion to determine any reasonable method and manner of providing such notice. A failure by the department to provide a notice or a failure by a seller to receive a notice under [this subsection](#) does not relieve the seller of the requirement to timely file a repayment claim.

4. The board shall determine that a repayment claim is eligible for indemnification from the fund if the board finds all of the following:

a. The repayment claim was timely filed.

b. The repayment claimant qualifies as a seller.

c. The repayment claim derives from a covered transaction. For purposes of this paragraph, a repayment claim derives from a covered transaction if the claimant is a seller who transferred title to the grain to a licensed grain dealer within six months of the incurrence date as provided in [section 203D.6, subsection 2](#).

d. The seller submits adequate proof to establish the repayment claim and the amount of the repayment loss.

e. A claim has not been paid for the same loss.

5. A seller is not entitled to indemnify a claim for a repayment loss if the repayment loss is incurred as a result of a fraudulent transfer or conveyance by the seller.

6. The dollar value loss of a repayment claim is the amount the seller has paid back to a grain dealer's bankruptcy estate that the seller previously received from the grain dealer's purchase of the grain, if paying back the amount was the result of an order issued, judgment entered, or settlement agreement approved by a bankruptcy court, and which has not been recovered through other legal or equitable remedies including the liquidation of the grain dealer's assets.

7. The department acting on behalf of the board shall deliver a notice to a seller filing a repayment claim under [this section](#). The notice must include the board's determination of the seller's eligibility and the dollar value of the seller's repayment loss. Within twenty days of delivering the notice, the seller may request a hearing for the review of either determination. The request shall be made in the manner provided by the board. The hearing and any further appeal shall be conducted as a contested case subject to [chapter 17A](#). A seller whose repayment claim has been refused by the board may appeal the refusal to either the district court of Polk county or the district court of the county in which the seller resides.

8. Upon a determination that the repayment claim is eligible for indemnification, the board shall provide for indemnification of the repayment loss, as required in [section 203D.6](#). If at any time the board determines that there are insufficient moneys in the fund to fully indemnify all eligible claims under [section 203D.6](#) and all eligible repayment claims under

[this section](#), the board shall order that the eligible claims be fully indemnified during one or more indemnification periods as provided in [section 203D.6](#).

9. In the event of the indemnification of a repayment loss under [this section](#), the fund is subrogated to the extent of the amount of any payments to all rights, powers, privileges, and remedies of the seller against any person regarding the repayment loss. The seller shall render all necessary assistance to the department and the board in securing the rights granted in [this section](#). An action or claim initiated by a seller and pending at the time of indemnification from the fund shall not be compromised or settled without the consent of the board.

10. *a.* A repayment claim shall expire if five years after the board determines that the repayment claim is eligible, the claimant has failed to do any of the following:

(1) Provide for the fund's subrogation or render all necessary assistance to the department and the board in securing the department's rights of subrogation as required in [this section](#).

(2) Provide necessary documentation or information required by the board in order to process the indemnification claim.

b. The fund is not liable for the indemnification of an expired repayment claim.

[2025 Acts, ch 105, §22, 26](#)

Referred to in [§203D.1, 203D.3, 203D.6](#)

Process established in [section 203D.6](#) and this section, providing for the indemnification of a repayment claim filed by a seller with the department of agriculture and land stewardship that includes a repayment loss incurred by the seller against a grain dealer, applies only if the grain dealer is a debtor in bankruptcy under the protections provided in Tit. 11 of the United States Code on or after October 24, 2022; [2025 Acts, ch 105, §26](#)

NEW section