

515.137A Post-loss assignment of rights or benefits to a residential contractor.

1. **This section** may be cited as the “*Insured Homeowner’s Protection Act*”.
2. As used in **this section**, unless the context otherwise requires:
 - a. “*Catastrophe*” means the same as defined in [section 103A.71](#).
 - b. “*Catastrophic disaster*” includes a major disaster declaration by the president of the United States or a state of disaster emergency proclamation by the governor.
 - c. “*Consumer advocate*” means a consumer advocate appointed pursuant to [section 505.8, subsection 6](#), paragraph “b”, subparagraph (1).
 - d. “*Post-loss assignment*” means any instrument by which post-loss benefits, rights, or duties of a named insured under a residential property and casualty insurance policy are assigned or transferred to a residential contractor. The post-loss assignment must only assign the insurance proceeds a named insured is entitled to receive from the named insured’s insurer for the repair, replacement construction, or reconstruction of the named insured’s property.
 - e. “*Residential contractor*” means the same as defined in [section 103A.71](#).
 - f. “*Residential real estate*” means the same as defined in [section 103A.71](#).
 - g. “*Roof system*” means the same as defined in [section 103A.71](#).
3. A residential contractor shall be prohibited from all of the following under a post-loss assignment by a named insured to the residential contractor:
 - a. Rebating or offering to rebate any portion of the named insured’s insurance deductible as an inducement for the named insured to purchase a good or service.
 - b. Imposing an administrative fee on the named insured for canceling the post-loss assignment, or imposing a fee to process the insurance check or to interact with the named insured’s mortgage company.
 - c. Acting as a public adjuster without being licensed under [chapter 522C](#).
 - d. Receiving payments from the named insured’s insurer that are unrelated to the repair, replacement construction, or reconstruction work on the covered insured’s property, including but not limited to all of the following:
 - (1) Additional living expenses.
 - (2) Loss of use.
 - (3) Loss of business income.
4. a. A post-loss assignment must include all of the following:
 - (1) An itemized description of the work to be performed.
 - (2) An itemized description of the materials, labor, and fees for the work to be performed.
 - (3) A total itemized amount to be paid for the work to be performed.
 - (4) A statement that the residential contractor has made no assurances that the claimed loss will be fully covered by the named insured’s insurance contract and shall include the following notice in capitalized fourteen point type:

YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING.

THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN THIS ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER. THE INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL. POST-LOSS ASSIGNMENTS ARE SUBJECT TO THE AUTHORITY OF THE IOWA INSURANCE DIVISION. YOU MAY FILE A COMPLAINT WITH THE DIVISION ON THE DIVISION’S INTERNET SITE AT IID.IOWA.GOV OR CALL THE DIVISION AT (877) 955-1212.

(5) In capitalized fourteen point type and located in the immediate proximity of the space reserved in the assignment for the signature of the named insured, the following notice:

YOU MAY CANCEL THIS POST-LOSS ASSIGNMENT FOR ANY REASON WITHOUT PENALTY WITHIN FIVE (5) BUSINESS DAYS FROM THE LATER OF THE DATE THE POST-LOSS

ASSIGNMENT IS FULLY EXECUTED OR THE DATE ON WHICH YOU RECEIVE A COPY OF THE FULLY EXECUTED POST-LOSS ASSIGNMENT. IF MAILED, THE CANCELLATION MUST BE POSTMARKED BEFORE THE FIVE (5) BUSINESS DAY DEADLINE.

YOU MUST CANCEL THE POST-LOSS ASSIGNMENT IN WRITING AND THE CANCELLATION MUST BE DELIVERED TO (name and address of residential contractor as provided by the residential contractor). IF THE ASSIGNEE HAS NOT BEGUN SUBSTANTIALLY PERFORMING WORK ON THE PROPERTY, YOU MAY CANCEL THIS POST-LOSS ASSIGNMENT WITHOUT PENALTY AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO COMMENCE, OR AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED IF THE POST-LOSS ASSIGNMENT DOES NOT CONTAIN A COMMENCEMENT DATE.

IF YOU CANCEL THIS POST-LOSS ASSIGNMENT, THE RESIDENTIAL CONTRACTOR HAS UP TO TEN (10) BUSINESS DAYS TO RETURN TO YOU ALL PAYMENTS OR DEPOSITS YOU HAVE MADE.

(6) A provision that requires the assignee to indemnify and hold harmless the assignor from liabilities, damages, losses, and costs, including but not limited to attorney fees related to the loss claim.

b. A post-loss assignment shall not impair the interest of a mortgagee listed on the declarations page of the property and casualty insurance policy that is the subject of the post-loss assignment. All mortgagees shall be named as a co-payee for the payment of benefits under a property and casualty insurance policy covering residential real estate.

c. A post-loss assignment shall only authorize a residential contractor to be named as a co-payee, along with the named insured and all mortgagees, for the payment of benefits under a property and casualty insurance policy covering residential real estate.

d. A post-loss assignment shall not prevent or inhibit an insurer from communicating with the named insured or a mortgagee listed on the declarations page of the property and casualty insurance policy that is the subject of the post-loss assignment.

e. An electronic copy of the fully executed post-loss assignment shall be provided to the insurer of the residential real estate, the named insured, and all mortgagees of the damaged residential real estate within five business days after execution of the post-loss assignment. A paper copy shall be provided to the insurer, a named insured, and any mortgagee of the damaged residential real estate within five business days of a request by the insurer, the named insured, or a mortgagee.

f. A residential contractor named in a post-loss assignment must cooperate with the insurer of the damaged residential real estate in a claim investigation by providing documents and records requested by the insurer and complying with each post-loss duty included in the named insured's insurance policy.

5. a. A named insured shall have the right to cancel a post-loss assignment without penalty or fee under all of the following circumstances:

(1) For any reason within five business days from the date on which the named insured receives a copy of the fully executed post-loss agreement.

(2) The assignee has not substantially performed work on the property that is the subject of the post-loss assignment at least thirty calendar days after the date work on the property was scheduled to commence.

(3) The assignee has not begun substantial work on the property that is the subject of the post-loss assignment at least thirty calendar days after the date the insured received a fully executed copy of the executed post-loss assignment and the post-loss assignment does not contain a commencement date.

b. The cancellation shall be made in writing. Within ten business days of the date of the written cancellation, the residential contractor shall tender to the named insured, the landowner, or the possessor of the real estate, all payments, partial payments, or deposits that have been made by such person.

6. Any written contract, repair estimate, or work order prepared by a residential contractor to provide goods or services to be paid from the proceeds of a property and casualty insurance policy pursuant to a post-loss assignment shall include, in capitalized fourteen point type, the notice as provided in [section 103A.71, subsection 4](#), paragraph “a”, which shall be signed by the named insured, and sent to the named insured’s insurer prior to payment to the residential contractor of proceeds under the applicable insurance policy.

7. For a minimum of seventy-two hours following a catastrophic disaster, a residential contractor shall not enter into a contract with an insured that includes a post-loss assignment. If the commissioner deems the severity of the catastrophic disaster to have placed people under duress, the commissioner shall immediately dispatch the consumer advocate and other personnel to the disaster area to provide consumer guidance. If, after a public hearing, the commissioner determines that, due to the scope and severity of the catastrophic disaster, additional time is necessary to safely deploy additional consumer protection resources, the commissioner may extend the time period that a residential contractor shall not enter into a contract with an insured that includes a post-loss assignment for an additional seventy-two hours.

8. A post-loss assignment entered into with a residential contractor shall be void if the residential contractor violates [this section](#).

9. A violation of [this section](#) by a residential contractor shall be an unfair practice pursuant to [chapter 507B](#).

10. If any provision of [this section](#) or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of [this section](#) which can be given effect without the invalid provision or application, and to this end the provisions of [this section](#) are severable.

[2019 Acts, ch 49, §1](#); [2025 Acts, ch 28, §28, 29](#); [2025 Acts, ch 159, §19](#)

Referred to in [§507B.4](#)

Subsection 2, NEW paragraphs b – d and former paragraphs b – d redesignated as e – g

Subsections 3 – 5 stricken and rewritten

NEW subsections 6 – 10