21—90.10(203C) Insurance. Each warehouse operator licensed by the department shall keep fully
insured, for the current market value, against loss by fire, inherent explosion or windstorm, all
agricultural products in storage in the warehouse and all agricultural products which have been
deposited temporarily in the warehouse pending storage or for purposes other than storage. This
insurance shall be carried in an insurance company or companies authorized to do business in this state
and shall be provided by and carried in the name of the warehouse operator. Each policy providing
such coverage must have attached thereto an Iowa warehouse endorsement form as prescribed by the
department. An insurance policy may include more than one location, and a location may be insured by
more than one policy.

90.10(1) Certificate of insurance. As evidence that insurance coverage has been provided, the
licensee shall file with the department a certificate of insurance form as prescribed by the department.

a. Not more than one policy shall be included on one certificate of insurance.

b. Where one policy provides coverage for two or more licenses or locations and coverage is
provided separately at each location, a separate certificate of insurance shall be executed for each license
or location shown on the policy. Each certificate shall show the total amount of insurance provided by
the policy for the license or locations for which the certificate is provided.

c. Where one policy provides coverage for two or more licenses or locations and coverage is
provided on a blanket basis at all locations, one certificate of insurance shall be executed for the policy.
The certificate shall show the amount of insurance provided by the policy.

90.10(2) Cancellation of insurance. When the department receives notice from an insurance
company that the company is canceling the insurance of a licensed warehouse, the department shall
send written notice to the warehouse operator. The notice shall explain the department’s enforcement
action that will result from the warehouse operator’s noncompliance. The department shall suspend the
warehouse operator license if the department does not receive proof of replacement insurance by the
insurance cancellation date. The department shall immediately conduct an inspection of the licensed
warehouse upon suspension of the license. If replacement insurance is not filed within 10 days following
suspension, the department shall revoke the warehouse operator license. When the department revokes
a license, the department shall notify each holder of an outstanding warehouse receipt and all known
persons who have grain retained in open storage of the revocation. The department shall further notify
each receipt holder and all known persons who have grain retained in open storage that the grain must
be removed from the warehouse not later than the thirtieth day following the revocation. The notice
shall be sent by ordinary mail to the last-known address of each person having grain in storage.

90.10(3) Expiration of insurance. The department shall send the warehouse operator a reminder
letter 30 days prior to the effective date of the expiration of the insurance of a licensed warehouse. The
notice shall explain the department’s enforcement action that will result from the warehouse operator’s
noncompliance. The department shall suspend the warehouse operator license if replacement insurance
is not received by the department by the expiration date. The department shall immediately conduct
an inspection of the licensed warehouse upon suspension of the license. If the licensee does not file
replacement insurance within 10 days following suspension, the department shall revoke the warehouse
operator license. When the department revokes a license, the department shall notify each holder of an
outstanding warehouse receipt and all known persons who have grain retained in open storage that the
license has been revoked. The department shall further notify each receipt holder and all persons who
have grain retained in open storage that the grain must be removed from the warehouse not later than
the thirtieth day following the revocation. The notice shall be sent by ordinary mail to the last-known
address of each person having grain in storage.

90.10(4) Insufficient insurance. The department shall provide written notice to the warehouse
operator when the department has evidence that the value of commodities in the warehouse is greater
than the limit of liability of the insurance policy. The notice shall explain the department’s enforcement
action that will result from the warehouse operator’s noncompliance. The department shall suspend the
warehouse operator license if the department does not receive proof of sufficient insurance coverage
within 30 days of the notice. The department shall immediately conduct an inspection of the licensed
warehouse upon suspension of the license. If the warehouse operator does not provide proof of sufficient
insurance coverage within 10 days of the license suspension, the department shall revoke the license. When the department revokes the license, the department shall notify each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage that the license has been revoked. The department shall further notify each receipt holder and all persons who have grain retained in open storage that the grain must be removed from the warehouse not later than the thirtieth day following the revocation. The notice shall be sent by ordinary mail to the last-known address of each person having grain in storage.

This rule is intended to implement Iowa Code section 203C.15.

[ARC 0392C, IAB 10/17/12, effective 1/21/12]