

Senate File 2153

S-5078

1 Amend Senate File 2153 as follows:

2 1. By striking everything after the enacting clause and  
3 inserting:

4 <Section 1. Section 505.17, subsection 1, paragraph a, Code  
5 2024, is amended to read as follows:

6 a. Information, records, and documents utilized for the  
7 purpose of, or in the course of, investigation, regulation,  
8 or examination of an insurance company, ~~or~~ insurance holding  
9 company, an individual insurance producer, or a business entity  
10 producer received by the division from some other governmental  
11 entity which treats such information, records, and documents  
12 as confidential, are confidential and shall not be disclosed  
13 by the division and are not subject to subpoena. Such  
14 information, records, and documents do not constitute a public  
15 record under [chapter 22](#).

16 Sec. 2. Section 522B.11, subsection 1, paragraph q, Code  
17 2024, is amended to read as follows:

18 q. ~~Is the subject of an order of the securities~~  
19 ~~administrator of this state or any other state, province,~~  
20 ~~district, or territory, denying, suspending, revoking,~~  
21 ~~or otherwise taking action against a registration as a~~  
22 ~~broker-dealer, agent, investment adviser, or investment adviser~~  
23 ~~representative~~ issued by any of the following:

24 (1) The securities administrator of this state or any other  
25 state, province, district, or territory.

26 (2) The federal securities and exchange commission.

27 (3) The financial industry regulatory authority.

28 Sec. 3. Section 523A.807, subsection 3, paragraph a, Code  
29 2024, is amended to read as follows:

30 a. Payment of a civil penalty of not more than one thousand  
31 dollars for each violation, ~~but~~ not exceeding an aggregate of  
32 ten thousand dollars during any six-month period, ~~except that~~  
33 if the commissioner finds that the person knew or reasonably  
34 should have known that the person was in violation of ~~such~~  
35 ~~provisions~~ a section or rules adopted pursuant ~~thereto~~ to a

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1 section, the penalty shall be not more than five thousand  
2 dollars for each violation, ~~but~~ and not ~~exceeding~~ exceed an  
3 aggregate of fifty thousand dollars during any six-month  
4 period. ~~The commissioner shall assess the penalty on the~~  
5 ~~employer of an individual and not on the individual, if~~  
6 ~~the commissioner finds that the violations committed by the~~  
7 ~~individual were directed, encouraged, condoned, ignored, or~~  
8 ~~ratified by the individual's employer.~~ Any civil penalties  
9 collected under this subsection shall be deposited as provided  
10 in section 505.7.

11 Sec. 4. Section 523D.1, subsections 2, 3, 4, 8, and 9, Code  
12 2024, are amended to read as follows:

13 2. "*Continuing care*" means ~~housing together with a continuum~~  
14 of supportive services, home health services, nursing services,  
15 medical services, or other health related services, furnished  
16 to a resident, regardless of whether or not the lodging and  
17 services are provided at the same location, together with  
18 housing for residents that elect to live in a facility of  
19 a provider, with or without other periodic charges, and  
20 pursuant to one or more contracts effective for the life of the  
21 resident or a period in excess of one year, including mutually  
22 cancelable contracts, and in consideration of an entrance fee.

23 3. "*Continuing care retirement community*" means a facility or  
24 program which provides continuing care to residents other than  
25 residents related by consanguinity or affinity to the person  
26 furnishing their care.

27 4. "*Entrance fee*" means an initial or deferred transfer to  
28 a provider of a sum of money or other property made or promised  
29 to be made as full or partial consideration for acceptance of  
30 a specified individual ~~in~~ into a facility or a program if the  
31 amount exceeds either of the following:

32 a. Five thousand dollars.

33 b. The sum of the regular periodic charges for six months  
34 ~~of residency.~~

35 8. "*Provider*" means a person undertaking through a lease or

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1 other type of agreement to provide care in or from a continuing  
2 care retirement community or senior adult congregate living  
3 facility, even if that person does not own the facility.

4 9. "*Resident*" means an individual, sixty years of age or  
5 older, entitled to receive care ~~in~~ from a continuing care  
6 retirement community or a senior adult congregate living  
7 facility.

8 Sec. 5. Section 523D.1, Code 2024, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 7A. "*Program*" means an organized set of  
11 measures or activities undertaken by a provider to provide  
12 continuing care services to an individual.

13 Sec. 6. Section 523D.2, Code 2024, is amended to read as  
14 follows:

15 **523D.2 Application of chapter.**

16 This chapter applies to a provider who executes a contract  
17 to provide continuing care or senior adult congregate living  
18 services in a facility or program, or ~~extend~~ extends the term  
19 of an existing contract to provide continuing care or senior  
20 adult congregate living services in a facility or program, if  
21 the contract requires or permits the payment of an entrance fee  
22 to a person, and any of the following apply:

23 1. The facility or program is or will be located in this  
24 state.

25 2. The provider or a person acting on the provider's behalf  
26 solicits the contract within this state for a facility or  
27 program located in this state and the person to be provided  
28 with continuing care or senior adult congregate living services  
29 under the contract resides within this state at the time of the  
30 solicitation.

31 Sec. 7. Section 523D.2A, unnumbered paragraph 1, Code 2024,  
32 is amended to read as follows:

33 On or before March 1 of each year, a provider shall  
34 file a certification with the commissioner in a manner and  
35 according to requirements established by the commissioner. The

1 certification shall be accompanied by a one hundred dollar  
2 administrative fee which fee shall be deposited as provided in  
3 section 505.7. The certification shall attest that according  
4 to the best knowledge and belief of the attesting party,  
5 the facility or program administered by the provider is in  
6 compliance with the provisions of **this chapter**, including  
7 rules adopted by the commissioner or orders issued by the  
8 commissioner as authorized under **this chapter**. The attesting  
9 person may be any of the following:

10 Sec. 8. Section 523D.3, subsection 1, paragraph c,  
11 unnumbered paragraph 1, Code 2024, is amended to read as  
12 follows:

13 With respect to each person covered by paragraph "b", and  
14 if the facility or program will be managed on a day-to-day  
15 basis by a person identified pursuant to paragraph "b", or with  
16 respect to the proposed manager, the following information:

17 Sec. 9. Section 523D.3, subsection 1, paragraphs f, h, and  
18 k, Code 2024, are amended to read as follows:

19 *f.* The services provided or proposed to be provided under  
20 contracts for continuing care or senior adult congregate living  
21 services ~~at the facility~~, including the extent to which medical  
22 care is furnished. The disclosure statement shall clearly  
23 state which services are included in basic contracts and which  
24 services are made available ~~at or by the facility~~ at extra  
25 charge.

26 *h.* The provisions which have been made or will be made,  
27 if any, to provide reserve funding or security to enable the  
28 provider to fully perform its obligations under contracts to  
29 provide continuing care or senior adult congregate living  
30 services ~~at the facility~~, including the establishment of escrow  
31 accounts, trusts, or reserve funds, together with the manner in  
32 which the funds will be invested and the names and experience  
33 of persons who will make the investment decisions.

34 *k.* Other material information concerning the facility,  
35 program, or the provider required by the division of insurance

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1 or which the provider wishes to include.

2 Sec. 10. Section 523D.6, subsection 1, paragraphs b, c, f,  
3 g, h, j, k, m, and p, Code 2024, are amended to read as follows:

4 *b.* The name and address of the facility or facilities, or  
5 of the program.

6 *c.* ~~The~~ If a prospective resident elects to reside in housing  
7 at the facility of a provider, the identification of the living  
8 unit which the prospective resident will occupy.

9 *f.* A statement of the policy of the facility or program with  
10 regard to any health or financial conditions upon which the  
11 provider may require the resident to relinquish the resident's  
12 space in the designated facility or program.

13 *g.* A statement of the policy of the facility or program with  
14 regard to the health and financial conditions required for a  
15 person to continue as a resident or an enrollee in a program.

16 *h.* A statement of the policy of the facility or program with  
17 regard to the conditions under which the resident is permitted  
18 to remain in the facility or program in the event of financial  
19 difficulties affecting the resident.

20 *j.* A statement of the policy of the facility or program  
21 with regard to changes in accommodations and a description  
22 of the procedures to be followed by the provider when the  
23 provider temporarily or permanently changes the resident's  
24 accommodations within the facility or program, transfers the  
25 resident from one level of care to another, or transfers the  
26 resident to another health facility or program.

27 *k.* A description in clear and understandable language, in at  
28 least ten point type, of the terms governing the refund of any  
29 portion of the entrance fee in the event of discharge by the  
30 provider, or cancellation by the resident, and a statement that  
31 the provider shall not dismiss or discharge a resident from  
32 a facility or program prior to the expiration of a resident  
33 contract without just cause and sixty days written notice of  
34 intent to cancel. The notice of dismissal or discharge shall  
35 only be given upon a good faith determination that just cause

1 exists, and the notice shall be given in writing, signed by the  
2 medical director, if any, and the administrator of the facility  
3 or program. In an emergency situation only such notice as is  
4 reasonable under the circumstances is required.

5 *m.* A description of the facility's or program's policies  
6 and procedures for handling grievances between the provider and  
7 residents.

8 *p.* A statement that if a resident dies or through illness,  
9 injury, or incapacity is precluded from becoming a resident  
10 under the terms of the contract before occupying the living  
11 unit, or precluded from commencing a continuing care services  
12 program under the terms of the contract, the contract is  
13 automatically rescinded and the resident or the resident's  
14 legal representative shall receive a full refund of all  
15 payments of money or transferred property to the facility  
16 or program, except those costs specifically incurred by the  
17 facility or program at the request of the resident or program  
18 enrollee and set forth in writing in a separate addendum,  
19 signed by both parties to the contract.

20 Sec. 11. Section 523D.6, subsection 2, Code 2024, is amended  
21 to read as follows:

22 2. *Cancellation.* The contract required by [this section](#)  
23 shall state the terms under which the contract can be canceled  
24 by the provider, ~~or~~ the resident, or a program enrollee,  
25 including a statement of the refund rights of a resident,  
26 or a program enrollee, and shall include a completed,  
27 easily detachable form in duplicate, captioned "Notice  
28 of Cancellation", as an attachment, in ten point boldface  
29 type, containing the following information and statements in  
30 substantially the following form and language:

31 NOTICE OF CANCELLATION

32 .....

33 Date contract was executed.

34 .....

35 Date disclosure statement was provided

1 to resident or program enrollee.

2 You may rescind and cancel your contract, without any penalty  
3 or obligation, within three business days of the date the  
4 contract was executed or within thirty days after the date  
5 you received the disclosure statement required by Iowa Code  
6 section 523D.3, whichever is later. You are not required to  
7 move into the facility or commence continuing care services  
8 from the program before the expiration of this cancellation  
9 period. However, if you do, the provider may retain the  
10 reasonable value of care and services actually provided to you,  
11 the resident, prior to your vacating the provider's facility  
12 or terminating continuing care services from the program. If  
13 you cancel this contract and you have already moved into the  
14 provider's facility, you must vacate your living unit within  
15 ten days after receipt by the provider of your cancellation  
16 notice.

17 If you cancel this contract, any payments of money or  
18 transfers of property you made to the provider must be returned  
19 as soon as reasonably possible by the provider following  
20 receipt by the provider of your cancellation notice, and any  
21 security interest arising out of the transaction is canceled,  
22 except that, as stated above, the provider may retain the  
23 reasonable value of care and services actually provided to you  
24 prior to your vacating the provider's facility or terminating  
25 continuing care services from the program.

26 To cancel this contract, mail by certified mail or hand  
27 deliver a signed and dated copy of this cancellation notice  
28 or any other written notice clearly indicating your intent to  
29 cancel the contract, or send a telegram, to ..... (name  
30 of provider) at ..... (address of provider's place of  
31 business). Your cancellation is effective upon mailing by  
32 certified mail, when transmitted by telegraph, or when actual  
33 notice is given to the provider, whichever is earlier.

34 I hereby cancel this contract.

35 .....

1 (Date)

2 .....

3 (Resident's signature)

4 Sec. 12. Section 523D.7, subsection 1, paragraphs a and b,  
5 Code 2024, are amended to read as follows:

6 a. Enters into a contract to provide continuing care or  
7 senior adult congregate living services ~~at a facility~~ without  
8 having first delivered a disclosure statement meeting the  
9 requirements of **this chapter** to the person contracting for  
10 continuing care or senior adult congregate living services and  
11 to the person's personal representative if one is appointed by  
12 the person.

13 b. Enters into a contract to provide continuing care or  
14 senior adult congregate living services ~~at a facility~~ with a  
15 person who has relied on a disclosure statement which contains  
16 any untrue statement of a material fact or omits to state a  
17 material fact necessary in order to make the statements made,  
18 in light of the circumstances under which they are made, not  
19 misleading.>

20 2. Title page, by striking line 3 and inserting <and preneed  
21 sellers, continuing care retirement facilities, and continuing  
22 care retirement programs.>

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DAVID D. ROWLEY