

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
COMMERCE/INSURANCE DIVISION
BILL)

A BILL FOR

1 An Act relating to various matters under the purview of
2 the insurance division of the department of commerce,
3 providing fees, making an appropriation, and resolving
4 inconsistencies.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

UNIFORM SECURITIES

Section 1. Section 502.304A, subsection 3, paragraph g, Code 2021, is amended to read as follows:

g. The issuer must pay to the administrator a fee ~~of one hundred dollars~~ established by the administrator by rule and is not required to pay the filing fee set forth in section 502.305, subsection 2.

Sec. 2. Section 502.304A, subsection 5, Code 2021, is amended to read as follows:

5. *Agent registration.* In connection with an offering registered under this section, a person may be registered as an agent of the issuer under section 502.402 by the filing of an application by the issuer with the administrator for the registration of the person as an agent of the issuer and the ~~paying of a fee of ten dollars~~ established by the administrator by rule. Notwithstanding any other provision of this chapter, the registration of the agent shall be effective until withdrawn by the issuer or until the securities registered pursuant to the registration statement have all been sold, whichever occurs first. The registration of an agent shall become effective when ordered by the administrator or on the fifth business day after the agent's application has been filed with the administrator, whichever occurs first, and the administrator shall not impose further conditions upon the registration of the agent. However, the administrator may deny, revoke, suspend, or withdraw the registration of the agent at any time as provided in section 502.412. An agent registered solely pursuant to this section is entitled to sell only securities registered under this section.

Sec. 3. Section 502.321G, Code 2021, is amended to read as follows:

502.321G Fees.

The administrator shall charge a nonrefundable filing fee ~~of two hundred fifty dollars~~ established by the administrator by

1 rule for a registration statement filed by an offeror. The fee
2 shall be deposited as provided in section 505.7.

3 Sec. 4. Section 502.410, Code 2021, is amended to read as
4 follows:

5 **502.410 Filing fees.**

6 1. *Broker-dealers.* A person shall pay a fee ~~of two hundred~~
7 ~~dollars established by the administrator by rule~~ when initially
8 filing an application for registration as a broker-dealer
9 and ~~a fee of two hundred dollars~~ when filing a renewal of
10 registration as a broker-dealer. If the filing results in a
11 denial or withdrawal, the administrator shall retain the fee.

12 2. *Agents.* The fee for an individual ~~is forty dollars~~
13 ~~when~~ filing an application for registration as an agent, a
14 ~~fee of forty dollars when~~ filing a renewal of registration
15 as an agent, and ~~a fee of forty dollars when~~ or filing for a
16 change of registration as an agent shall be established by the
17 administrator by rule. Of each ~~forty-dollar~~ fee collected, ~~ten~~
18 ~~dollars~~ twenty-five percent is appropriated to the securities
19 investor education and financial literacy training fund
20 established under section 502.601, subsection 5. If the filing
21 results in a denial or withdrawal, the administrator shall
22 retain the fee.

23 3. *Investment advisers.* A person shall pay a fee ~~of one~~
24 ~~hundred dollars~~ established by the administrator by rule when
25 filing an application for registration as an investment adviser
26 and ~~a fee of one hundred dollars~~ when filing a renewal of
27 registration as an investment adviser. If the filing results
28 in a denial or withdrawal, the administrator shall retain the
29 fee.

30 4. *Investment adviser representatives.*

31 ~~a.~~ The fee for an individual ~~is thirty dollars~~ when filing
32 an application for registration as an investment adviser
33 representative, ~~a fee of thirty dollars~~ when filing a renewal
34 of registration as an investment adviser representative, and ~~a~~
35 ~~fee of thirty dollars~~ or when filing a change of registration

1 as an investment adviser representative shall be the amount
2 established by the administrator by rule. If the filing
3 results in a denial or withdrawal, the administrator shall
4 retain the fee.

5 ~~b. However, an~~ An investment adviser representative is shall
6 not be required to pay a filing fee if the investment adviser
7 is a sole proprietorship or the substantial equivalent, and the
8 investment adviser representative is the same individual as the
9 investment adviser.

10 5. *Federal covered investment advisers.* A federal covered
11 investment adviser required to file a notice under section
12 502.405 shall pay an initial fee ~~of one hundred dollars~~ and
13 an annual notice fee ~~of one hundred dollars~~ in an amount
14 established by the administrator by rule.

15 6. *Payment.* A person required to pay a ~~filing or notice~~
16 fee under this section may transmit the fee through or to a
17 designee as a permitted by the administrator by rule or by
18 ~~order provides~~ issued by the administrator under this chapter.

19 7. *Deposit of fees.* Except as otherwise provided in
20 subsection 2, fees collected under this section shall be
21 deposited as provided in section 505.7.

22 DIVISION II

23 INSURANCE

24 Sec. 5. Section 505.30, subsection 2, Code 2021, is amended
25 to read as follows:

26 2. The commissioner may collect a reasonable fee,
27 established by the commissioner by rule, each time service of
28 process is made on the commissioner as set forth in subsection
29 1 or as otherwise allowed by law. A fee collected by the
30 commissioner under this subsection shall be used and is
31 appropriated to the insurance division to offset the costs
32 of the commissioner acting as agent or attorney for service
33 of process. The party to a proceeding requesting service of
34 process is entitled to recover the fee paid pursuant to this
35 subsection and any rules adopted under this section as costs if

1 the party prevails in the proceeding.

2 Sec. 6. Section 507A.4, subsection 9, Code 2021, is amended
3 by striking the subsection and inserting in lieu thereof the
4 following:

5 9. Transactions involving a multiple employer welfare
6 arrangement as defined in section 3 of the federal Employee
7 Retirement Income Security Act of 1974, 29 U.S.C. §1002,
8 paragraph 40, or a multiple employer welfare arrangement formed
9 as an association health plan pursuant to 29 C.F.R. pt. 2510
10 that complies with chapter 513D.

11 Sec. 7. Section 507B.7, Code 2021, is amended to read as
12 follows:

13 **507B.7 ~~Cease and desist orders~~ Orders and penalties.**

14 1. If, after hearing, the commissioner determines that a
15 person has engaged in an unfair method of competition or an
16 unfair or deceptive act or practice, the commissioner shall
17 reduce the findings to writing and shall issue and cause to
18 be served upon the person charged with the violation a copy
19 of such findings, an order requiring such person to cease
20 and desist from engaging in such method of competition, act,
21 or practice, and the commissioner may at the commissioner's
22 discretion order any one or more of the following:

23 a. Payment of a civil penalty of not more than one thousand
24 dollars for each act or violation of this subtitle, but not
25 to exceed an aggregate of ten thousand dollars, unless the
26 person knew or reasonably should have known the person was in
27 violation of this subtitle, in which case the penalty shall be
28 not more than five thousand dollars for each act or violation,
29 but not to exceed an aggregate penalty of fifty thousand
30 dollars in any one six-month period. If the commissioner finds
31 that a violation of this subtitle was directed, encouraged,
32 condoned, ignored, or ratified by the employer of the person or
33 by an insurer, the commissioner shall also assess a penalty to
34 the employer or insurer.

35 b. Suspension or revocation of the license of a person as

1 defined in section 507B.2, subsection 1, if the person knew or
2 reasonably should have known the person was in violation of
3 this subtitle.

4 c. Payment of interest at the rate of ten percent per
5 annum if the commissioner finds that the insurer failed to
6 pay interest as required under section 507B.4, subsection 3,
7 paragraph "p".

8 2. Until the expiration of the time allowed under section
9 507B.8 for filing a petition for review if no such petition has
10 been duly filed within such time, or, if a petition for review
11 has been filed within such time, then until the transcript of
12 the record in the proceeding has been filed in the district
13 court, the commissioner may at any time, upon such notice and
14 in such manner as the commissioner may deem proper, modify
15 or set aside in whole or in part any order issued by the
16 commissioner under this section.

17 3. After the expiration of the time allowed for filing
18 such a petition for review if no such petition has been duly
19 filed within such time, the commissioner may at any time, after
20 notice and opportunity for hearing, reopen and alter, modify,
21 or set aside, in whole or in part, any order issued by the
22 commissioner under this section, whenever in the commissioner's
23 opinion conditions of fact or of law have so changed as
24 to require such action, or if the public interest shall so
25 require.

26 4. Any person who violates a ~~cease and desist~~ an order
27 of the commissioner, and while such order is in effect, may,
28 after notice and hearing and upon order of the commissioner,
29 be subject at the discretion of the commissioner to any one or
30 more of the following:

31 a. A monetary penalty of not more than ten thousand dollars
32 for each and every act or violation. A penalty collected
33 under this lettered paragraph shall be deposited as provided
34 in section 505.7.

35 b. Suspension or revocation of such person's license.

1 Sec. 8. Section 507E.2, Code 2021, is amended to read as
2 follows:

3 **507E.2 Purpose Insurance fraud bureau.**

4 1. An insurance fraud bureau is created within the insurance
5 division. Upon a reasonable determination by the division, by
6 its own inquiries or as a result of a complaint filed with the
7 division, that a person has engaged in, is engaging in, or may
8 be engaging in an act or practice that violates any provision
9 of the Code subject to the jurisdiction of the commissioner,
10 the division may administer oaths and affirmations, serve
11 subpoenas ordering the attendance of witnesses, and collect
12 evidence related to such act or practice.

13 2. An insurance fraud bureau investigator shall be no older
14 than sixty-five years of age.

15 Sec. 9. Section 507E.2A, subsection 2, Code 2021, is amended
16 to read as follows:

17 2. ~~"Insurer" includes an insurer~~ means any corporation,
18 association, partnership, or individual engaged in the business
19 of insurance, including but not limited to a corporation,
20 association, partnership, or individual that issues a policy
21 of workers' compensation, a self-insured business for purposes
22 of workers' compensation liability, or a group or self-insured
23 plan as described in section 87.4. "Insurer" does not include
24 a person required to be licensed to sell, solicit, or negotiate
25 insurance pursuant to chapter 522B.

26 Sec. 10. Section 507E.8, Code 2021, is amended to read as
27 follows:

28 **507E.8 Law enforcement authority.**

29 1. An individual employed by the division and designated as
30 a peace officer shall be considered a law enforcement officer
31 as that term is defined in section 80B.3, and shall exercise
32 the powers of a law enforcement officer as follows:

33 a. For purposes of an arrest resulting from a criminal
34 violation of any provision of the Code subject to the
35 jurisdiction of the commissioner established as a result of

1 an investigation pursuant to this chapter, ~~an insurance fraud~~
2 ~~bureau investigator shall have the authority and status of a~~
3 ~~law enforcement officer pursuant to section 80B.3, subsection~~
4 3.

5 b. While conducting an investigation or engaged in an
6 assignment authorized by this chapter or ordered by the
7 commissioner.

8 c. To protect life if a public offense is committed in the
9 presence of the peace officer.

10 d. While providing assistance to a law enforcement agency or
11 another law enforcement officer.

12 e. While providing assistance at the request of a member of
13 the public.

14 2. ~~The laws~~ Laws applicable to an arrest of an individual
15 by a law enforcement officer of the state shall apply to an
16 ~~insurance fraud bureau investigator~~ individual employed by
17 the division and designated as a peace officer. An ~~insurance~~
18 ~~fraud bureau investigator~~ individual employed by the division
19 and designated as a peace officer shall have the power to
20 execute arrest warrants and search warrants, serve subpoenas
21 issued for the examination, investigation, and trial of all
22 offenses identified through the course of an investigation
23 conducted pursuant to this section, and arrest upon probable
24 cause without warrant a person found in the act of committing
25 a violation of ~~a provision of this chapter~~ or a law of this
26 state.

27 Sec. 11. Section 508E.2, subsection 14, Code 2021, is
28 amended to read as follows:

29 14. "*Viatical settlement broker*" means a person, including
30 a life insurance producer ~~as provided for in section 508E.3,~~
31 who, working exclusively on behalf of a viator and for a fee,
32 commission, or other valuable consideration, offers or attempts
33 to negotiate viatical settlement contracts between a viator
34 and one or more viatical settlement providers or one or more
35 viatical settlement brokers. Notwithstanding the manner in

1 which the viatical settlement broker is compensated, a viatical
2 settlement broker is deemed to represent only the viator,
3 and not the insurer or the viatical settlement provider, and
4 owes a fiduciary duty to the viator to act according to the
5 viator's instructions and in the best interest of the viator.
6 "*Viatical settlement broker*" does not include an attorney,
7 certified public accountant, or a financial planner accredited
8 by a nationally recognized accreditation agency who is retained
9 to represent the viator and whose compensation is not paid
10 directly or indirectly by the viatical settlement provider or
11 purchaser.

12 Sec. 12. Section 508E.3, subsections 2 and 3, Code 2021, are
13 amended to read as follows:

14 2. An application for a viatical settlement provider
15 or viatical settlement broker license shall be made to the
16 commissioner by the applicant on a form prescribed by the
17 commissioner, and the application shall be accompanied by a
18 ~~fee of not more than one hundred dollars~~ as provided by rules
19 adopted by the commissioner.

20 3. A viatical settlement provider or viatical settlement
21 broker license term shall be three years and the license
22 may be renewed upon payment of a renewal fee ~~of not more~~
23 ~~than one hundred dollars~~ as provided by rules adopted by the
24 commissioner. A failure to pay the fee by the renewal date
25 shall result in expiration of the license.

26 Sec. 13. Section 509.1, subsection 9, Code 2021, is amended
27 to read as follows:

28 9. A policy of group health insurance coverage issued to an
29 ~~associated health plan~~ a multiple employer welfare arrangement
30 pursuant to ~~section 513D.1~~ chapter 513D that is subject to
31 regulation by the commissioner.

32 Sec. 14. Section 509.19, subsection 2, paragraph d, Code
33 2021, is amended to read as follows:

34 d. A multiple employer welfare arrangement, as defined
35 in section 3 of the federal Employee Retirement Income

1 Security Act of 1974, 29 U.S.C. §1002(40), paragraph 40,
2 or a multiple employer welfare arrangement formed as an
3 association health plan pursuant to 29 C.F.R. pt. 2510,
4 that meets the requirements of section 507A.4, subsection 9,
5 paragraph "a" chapter 513D.

6 Sec. 15. Section 509A.15, subsection 1, paragraph a,
7 unnumbered paragraph 1, Code 2021, is amended to read as
8 follows:

9 Within ninety calendar days following the end of a fiscal
10 year, the governing body of a self-insurance plan of a
11 political subdivision or a school corporation shall file with
12 the commissioner of insurance a certificate of compliance,
13 actuarial opinion, and an annual financial report. The
14 filing shall be accompanied by a fee ~~of one hundred dollars~~
15 established by the commissioner by rule. A ~~penalty of fifteen~~
16 ~~dollars per day~~ late fee established by the commissioner
17 by rule shall be assessed for failure to comply with the
18 ~~ninety-day~~ ninety-calendar-day filing requirement, except that
19 the commissioner may waive the ~~penalty~~ late fee upon a showing
20 that special circumstances exist which justify the waiver. The
21 certificate shall be signed and dated by the appropriate public
22 official representing the governing body, and shall certify the
23 following:

24 Sec. 16. Section 510.21, Code 2021, is amended to read as
25 follows:

26 ~~510.21 Certificate of registration required~~ Certificates —
27 registration and renewal.

28 A person shall not act as or represent oneself to be a
29 third-party administrator in this state, other than an adjuster
30 licensed in this state for the kinds of business for which
31 the person is acting as a third-party administrator, unless
32 the person holds a current certificate of registration as
33 a third-party administrator issued by the commissioner of
34 insurance. A certificate of registration as a third-party
35 administrator ~~is renewable~~ shall be renewed every three

1 years. Failure to hold a current certificate ~~subjects the~~
2 of registration shall subject a third-party administrator to
3 the sanctions set out in section 507B.7. ~~The~~ An application
4 for a certificate of registration shall be accompanied by a
5 filing fee as established by the commissioner by rule. A
6 certificate of registration shall be issued by the commissioner
7 to a third-party administrator unless the commissioner,
8 ~~after due notice and hearing,~~ determines that the third-party
9 administrator is not competent, trustworthy, financially
10 responsible, ~~or~~ of good personal and business reputation, or
11 has had a ~~previous~~ an application for an insurance license
12 denied for cause within the preceding five years.

13 ~~An application for registration shall be accompanied by a~~
14 ~~filing fee of one hundred dollars. After notice and hearing,~~
15 ~~the commissioner may impose any or all of the sanctions set out~~
16 ~~in section 507B.7, upon finding that either the third-party~~
17 ~~administrator violated any of the requirements of sections~~
18 ~~510.12 through 510.20 and this section, or the third-party~~
19 ~~administrator is not competent, trustworthy, financially~~
20 ~~responsible, or of good personal and business reputation.~~
21 If the commissioner denies an application for registration
22 or renewal, a written notice that specifies the reasons for
23 the denial or nonrenewal shall be provided to the applicant.
24 Pursuant to chapter 17A, upon the applicant's request, the
25 commissioner shall grant the applicant a hearing on the denial
26 or nonrenewal.

27 Sec. 17. Section 510.23, Code 2021, is amended by striking
28 the section and inserting in lieu thereof the following:

29 **510.23 Violations and penalties.**

30 1. If, after hearing, the commissioner determines that
31 a third-party administrator has violated this chapter, or
32 chapter 507B, the commissioner may order any one or more of the
33 sanctions or penalties set out in section 507B.7.

34 2. If, after hearing, the commissioner determines that a
35 person has aided and abetted a third-party administrator in

1 commission of a violation of this chapter, or chapter 507B,
2 the commissioner may order any one or more of the sanctions or
3 penalties set out in section 507B.7.

4 3. If, after hearing, the commissioner determines that
5 a third-party administrator is not competent, trustworthy,
6 financially responsible, or of good personal and business
7 reputation, the commissioner may order any one or more of the
8 sanctions and penalties set out in section 507B.7.

9 Sec. 18. Section 511.24, Code 2021, is amended to read as
10 follows:

11 **511.24 ~~Fees from domestic~~ Domestic and foreign companies ~~—~~**
12 **fees.**

13 When not otherwise provided, a foreign or domestic life
14 insurance company doing business in this state shall pay ~~to the~~
15 ~~commissioner of insurance the following fees~~ a fee, established
16 by the commissioner by rule, for all of the following:

17 1. For filing an application to do business, or an
18 application to renew a certificate of authority, ~~fifty dollars.~~

19 2. For issuing a certificate of authority to do business in
20 this state, or for renewing a certificate, ~~fifty dollars.~~

21 3. For filing amended articles of incorporation, ~~fifty~~
22 ~~dollars.~~

23 4. For issuing an amended certificate of authority,
24 ~~twenty-five dollars.~~

25 5. For affixing the official seal to any paper filed with
26 the division, ~~ten dollars.~~

27 Sec. 19. Section 512B.24, Code 2021, is amended to read as
28 follows:

29 **512B.24 ~~Reports~~ Annual statement.**

30 ~~Reports shall be filed in accordance with this section.~~

31 1. A society transacting business in this state shall, on or
32 before March 1 ~~annually~~, unless for cause shown the time has
33 been extended by the commissioner, ~~shall~~ annually file with the
34 commissioner a true statement of ~~its~~ the society's financial
35 condition, transactions, and affairs for the preceding calendar

1 year and shall pay a fee ~~of fifty dollars~~ established by the
2 commissioner by rule. The statement may be in general form and
3 content as approved by the national association of insurance
4 commissioners for fraternal benefit societies and shall be
5 supplemented by additional information as adopted by rule of
6 the commissioner.

7 2. As part of ~~the~~ a society's annual statement, ~~a the~~
8 society shall, on or before March 1, file with the commissioner
9 ~~of insurance~~ a valuation of ~~its~~ the society's certificates
10 in force on the ~~last~~ preceding December 31. However, the
11 commissioner may, for cause shown, extend the time for filing
12 the valuation for not more than two consecutive calendar
13 months. The valuation shall be ~~done~~ completed in ~~accordance~~
14 compliance with ~~the standards specified in~~ section 512B.23.
15 The valuation and underlying data shall be certified by a
16 qualified actuary or, at the expense of the society, verified
17 by the actuary of the department of insurance of the state of
18 domicile of the society.

19 3. A society failing to file the society's annual statement
20 ~~in the form and within the time provided by~~ compliance with
21 this section shall forfeit one hundred dollars for each day
22 during which the default continues, and, upon notice by the
23 commissioner ~~to that effect~~, the society's authority to do
24 business in this state shall cease ~~while~~ during the duration of
25 the default ~~continues~~.

26 Sec. 20. Section 512B.25, Code 2021, is amended to read as
27 follows:

28 **512B.25 Annual license — renewal.**

29 ~~The authority of a society to transact business in this~~
30 ~~state may be renewed annually.~~ A society's license terminates
31 to transact business in this state shall terminate on the
32 first day of June following the issuance or the renewal of
33 the society's license. A society shall submit annually on
34 or before March 1 a completed application for renewal of its
35 license. For each license or renewal the society shall pay

1 the commissioner a fee ~~of fifty dollars~~ established by the
2 commissioner by rule. A society that fails to timely file an
3 application for renewal shall pay an ~~administrative penalty~~
4 ~~of five hundred dollars to the treasurer of state for deposit~~
5 ~~as provided in section 505.7~~ a late fee as established by the
6 commissioner by rule. A duly certified copy or duplicate
7 of ~~the~~ a society's license is prima facie evidence that the
8 licensee is a fraternal benefit society within the meaning of
9 this chapter.

10 Sec. 21. Section 513D.1, Code 2021, is amended by striking
11 the section and inserting in lieu thereof the following:

12 **513D.1 Multiple employer welfare arrangements and association**
13 **health plans.**

14 1. As used in this chapter, unless the context otherwise
15 requires:

16 *a. "Association health plan" or "AHP" means a multiple*
17 *employer welfare arrangement formed as an association health*
18 *plan pursuant to 29 C.F.R. pt. 2510.*

19 *b. "Commissioner" means the commissioner of insurance.*

20 *c. "Multiple employer welfare arrangement" or "MEWA" means a*
21 *multiple employer welfare arrangement as defined in section 3*
22 *of the federal Employee Retirement Income Security Act of 1974,*
23 *29 U.S.C. §1002, paragraph 40.*

24 2. An AHP or MEWA that offers a plan to, or maintains a
25 group health plan for, any resident of this state shall be
26 subject to the jurisdiction of the commissioner and shall
27 comply with all of the following requirements:

28 *a. The AHP or MEWA must be administered by an insurer*
29 *authorized to do the business of insurance in this state or*
30 *an authorized third-party administrator that holds a current*
31 *certificate of registration pursuant to section 510.21.*

32 *b. The AHP or MEWA must be established by a trade,*
33 *industry, or professional association of employers that has a*
34 *constitution or bylaws, is organized and maintained in good*
35 *faith, and has membership stability as defined by rules adopted*

1 by the commissioner.

2 *c.* The AHP or MEWA must register with the commissioner and
3 obtain and maintain a certificate of registration issued by the
4 commissioner.

5 *d.* The AHP or MEWA shall comply with all rules and solvency
6 standards established by rules adopted by the commissioner.

7 3. An AHP or MEWA that does not meet the solvency standards
8 pursuant to subsection 2, paragraph "d", shall be subject to
9 chapter 507C.

10 4. An AHP or MEWA that meets all of the requirements of
11 subsection 2 shall not be considered any of the following:

12 *a.* An insurance company or association of whatever kind or
13 character under section 432.1.

14 *b.* A member of the Iowa individual health benefit
15 reinsurance association pursuant to section 513C.10, subsection
16 1.

17 *c.* A member insurer of the Iowa life and health insurance
18 guaranty association pursuant to section 508C.5.

19 5. An AHP or MEWA that is registered with the commissioner
20 pursuant to subsection 2, paragraph "c", shall annually file
21 with the commissioner on or before March 1 a copy of the report
22 required to be filed by the AHP or MEWA with the United States
23 department of labor pursuant to 29 C.F.R. §2520.101-2.

24 6. An AHP or MEWA that is registered with the commissioner
25 pursuant to subsection 2, paragraph "c", shall annually file
26 with the commissioner a report on or before March 1 for the
27 preceding calendar year. The annual report shall contain the
28 information and be in a form and manner as prescribed by the
29 commissioner.

30 7. A foreign or domestic AHP or MEWA doing business in the
31 state shall pay fees as prescribed by the commissioner unless
32 otherwise provided by law.

33 8. A MEWA that is recognized as tax-exempt under Internal
34 Revenue Code section 501(c)(9) and that is registered with the
35 commissioner prior to January 1, 2018, shall not be considered

1 an AHP unless the MEWA affirmatively elects to be treated as
2 an AHP.

3 Sec. 22. Section 513D.2, subsection 1, Code 2021, is amended
4 to read as follows:

5 1. The commissioner of insurance shall adopt rules, as
6 necessary, pursuant to chapter 17A to administer this chapter.

7 Sec. 23. Section 514G.103, subsection 10, Code 2021, is
8 amended to read as follows:

9 10. "Independent review entity organization" means a review
10 entity organization certified by the commissioner pursuant to
11 section 514G.110, subsection 4.

12 Sec. 24. Section 514G.110, subsections 4, 5, 6, 7, 8, and 9,
13 Code 2021, are amended to read as follows:

14 4. *Qualifications of independent review entities*

15 organizations. The commissioner shall maintain a list of
16 qualified independent review ~~entities~~ organizations that are
17 certified by the commissioner. Independent review ~~entities~~
18 organizations shall be recertified by the commissioner every
19 two years in order to remain on the list. In order to be
20 certified, an independent review ~~entity~~ organization shall meet
21 all of the following criteria:

22 a. Have on staff, or contract with, a qualified, licensed
23 health care professional in an appropriate field for
24 determining an insured's functional or cognitive impairment who
25 can conduct an independent review.

26 (1) In order to be qualified, a licensed health care
27 professional who is a physician shall hold a current
28 certification by a recognized American medical specialty
29 board in a specialty appropriate for determining an insured's
30 functional or cognitive impairment.

31 (2) In order to be qualified, a licensed health care
32 professional who is not a physician shall hold a current
33 certification in the specialty in which that person is
34 licensed, by a recognized American specialty board in a
35 specialty appropriate for determining an insured's functional

1 or cognitive impairment.

2 **b.** Ensure that any licensed health care professional who
3 conducts an independent review has no history of disciplinary
4 actions or sanctions, including but not limited to the loss
5 of staff privileges or any participation restrictions taken
6 or pending by any hospital or state or federal government
7 regulatory agency.

8 **c.** Ensure that the independent review entity organization
9 or any of its employees, agents, or licensed health care
10 professionals utilized does not receive compensation of any
11 type that is dependent on the outcome of a review.

12 **d.** Ensure that the independent review entity organization
13 or any of its employees, agents, or licensed health care
14 professionals utilized are not in any manner related to,
15 employed by, or affiliated with the insured or with a person
16 who previously provided medical care to the insured.

17 **e.** Ensure that an independent review entity organization
18 or any of its employees, agents, or licensed health care
19 professionals utilized is not a subsidiary of, or owned or
20 controlled by, an insurer or by a trade association of insurers
21 of which the insurer is a member.

22 **f.** Have a quality assurance program on file with the
23 commissioner that ensures the timeliness and quality of reviews
24 performed, the qualifications and independence of the licensed
25 health care professionals who perform the reviews, and the
26 confidentiality of the review process.

27 **g.** Have on staff or contract with a licensed health care
28 practitioner, as defined in section 514G.103, subsection 3, who
29 is qualified to certify that an individual is chronically ill
30 for purposes of a qualified long-term care insurance contract.

31 **5. Independent review process.** The independent review
32 process shall be conducted as follows:

33 **a.** Within three business days of receiving a notice from the
34 commissioner of the certification of a request for independent
35 review or receipt of a denial of an insurer's appeal from such

1 a certification, the insurer shall do all of the following:

2 (1) Select an independent review ~~entity~~ organization from
3 the list certified by the commissioner and notify the insured
4 in writing of the name, address, and telephone number of the
5 selected independent review ~~entity-selected~~ organization. The
6 selected independent review ~~entity-selected~~ organization shall
7 utilize a licensed health care professional with qualifications
8 appropriate to the benefit trigger determination that is under
9 review.

10 (2) Notify the independent review ~~entity~~ organization
11 that it has been selected to conduct an independent review
12 of a benefit trigger determination and provide sufficient
13 descriptive information to enable the independent review ~~entity~~
14 organization to provide licensed health care professionals who
15 will be qualified to conduct the review.

16 (3) Provide the commissioner with a copy of the notices sent
17 to the insured and to the selected independent review ~~entity~~
18 selected organization.

19 *b.* Within three business days of receiving a notice from
20 an insurer that it has been selected to conduct an independent
21 review, the independent review ~~entity~~ organization shall do one
22 of the following:

23 (1) Accept its selection as the independent review ~~entity~~
24 organization, designate a qualified licensed health care
25 professional to perform the independent review, and provide
26 notice of that designation to the insured and the insurer,
27 including a brief description of the health care professional's
28 qualifications and the reasons that person is qualified to
29 determine whether the insured's benefit trigger has been met.
30 A copy of this notice shall be sent to the commissioner via
31 facsimile. The independent review ~~entity~~ organization is not
32 required to disclose the name of the health care professional
33 selected.

34 (2) Decline its selection as the independent review ~~entity~~
35 organization or, if the independent review ~~entity~~ organization

1 does not have a licensed health care professional who is
2 qualified to conduct the independent review available, request
3 additional time from the commissioner to have a qualified
4 licensed health care professional certified, and provide
5 notice to the insured, the insurer, and the commissioner.
6 The commissioner shall notify the independent review entity
7 organization, the insured, and the insurer of how to proceed
8 within three business days of receipt of such notice from the
9 independent review entity organization.

10 c. An insured may object to the independent review entity
11 organization selected by the insurer or to the licensed
12 health care professional designated by the independent review
13 entity organization to conduct the review by filing a notice
14 of objection along with reasons for the objection, with the
15 commissioner within ten days of receipt of a notice sent by the
16 independent review entity organization pursuant to paragraph
17 "b". The commissioner shall consider the insured's objection
18 and shall notify the insured, the insurer, and the independent
19 review entity organization of the commissioner's decision to
20 sustain or deny the objection within two business days of
21 receipt of the objection.

22 d. Within five business days of receiving a notice from
23 the independent review entity organization accepting its
24 selection or within five business days of receiving a denial
25 of an objection to the independent review entity organization
26 selected, whichever is later, the insured may submit any
27 information or documentation in support of the insured's claim
28 to both the independent review entity organization and the
29 insurer.

30 e. Within fifteen days of receiving a notice from the
31 independent review entity organization accepting its selection
32 or within three business days of receipt of a denial of
33 an objection to the independent review entity organization
34 selected, whichever is later, an insurer shall do all of the
35 following:

1 (1) Provide the independent review entity organization
2 with any information submitted to the insurer by the insured
3 in support of the insured's internal appeal of the insurer's
4 benefit trigger determination.

5 (2) Provide the independent review entity organization with
6 any other relevant documents used by the insurer in making its
7 benefit trigger determination.

8 (3) Provide the insured and the commissioner with
9 confirmation that the information required under subparagraphs
10 (1) and (2) has been provided to the independent review entity
11 organization, including the date the information was provided.

12 *f.* The independent review entity organization shall not
13 commence its review until fifteen days after the selection of
14 the independent review entity organization is final including
15 the resolution of any objection made pursuant to paragraph
16 "c". During this time period, the insurer may consider any
17 information provided by the insured pursuant to paragraph
18 "d" and overturn or affirm the insurer's benefit trigger
19 determination based on such information. If the insurer
20 overturns its benefit trigger determination, the independent
21 review process shall immediately cease.

22 *g.* In conducting a review, the independent review
23 entity organization shall consider only the information
24 and documentation provided to the independent review entity
25 organization pursuant to paragraphs "d" and "e".

26 *h.* The independent review entity organization shall submit
27 its decision as soon as possible, but not later than thirty
28 days from the date the independent review entity organization
29 receives the information required under paragraphs "d" and "e",
30 whichever is received later. The decision shall include a
31 description of the basis for the decision and the date of the
32 benefit trigger determination to which the decision relates.
33 The independent review entity organization, for good cause,
34 may request an extension of time from the commissioner to file
35 its decision. A copy of the decision shall be mailed to the

1 insured, the insurer, and the commissioner.

2 *i.* All medical records submitted for use by the independent
3 review ~~entity~~ organization shall be maintained as confidential
4 records as required by applicable state and federal laws. The
5 commissioner shall keep all information obtained during the
6 independent review process confidential pursuant to section
7 505.8, subsection 8, except that the commissioner may share
8 some information obtained as provided under section 505.8,
9 subsection 8, and as required by this chapter and rules adopted
10 pursuant to this chapter.

11 *j.* If an insured dies before completion of the independent
12 review, the review shall continue to completion if there
13 is potential liability of an insurer to the estate of the
14 insured or to a provider for rendering qualified long-term care
15 services to the insured.

16 6. *Costs.* All reasonable fees and costs of the independent
17 review ~~entity~~ organization incurred in conducting an
18 independent review under this section shall be paid by the
19 insurer.

20 7. *Immunity.* An independent review ~~entity~~ organization that
21 conducts a review under this section is not liable for damages
22 arising from determinations made during the review. Immunity
23 does not apply to any act or omission made by an independent
24 review ~~entity~~ organization in bad faith or that involves gross
25 negligence.

26 8. *Effect of independent review decision.*

27 *a.* The review decision by the independent review ~~entity~~
28 organization conducting the review is binding on the insurer.

29 *b.* The independent review process set forth in this section
30 shall not be considered a contested case under chapter 17A.

31 *c.* An insured may appeal the review decision by the
32 independent review ~~entity~~ organization conducting the review
33 by filing a petition for judicial review in the district court
34 in the county in which the insured resides. The petition for
35 judicial review shall be filed within fifteen business days

1 after the issuance of the review decision by the independent
2 review organization. The petition shall name the insured
3 as the petitioner and the insurer as the respondent. The
4 petitioner shall not name the independent review entity
5 organization as a party. The commissioner shall not be named
6 as a respondent unless the insured alleges action or inaction
7 by the commissioner under the standards articulated under
8 section 17A.19, subsection 10. Allegations made against the
9 commissioner under section 17A.19, subsection 10, must be
10 stated with particularity. The commissioner may, upon motion,
11 intervene in a judicial review proceeding brought pursuant to
12 this paragraph. The findings of fact by the independent review
13 entity organization conducting the review are conclusive and
14 binding on appeal.

15 *d.* An insurer shall not be subject to any penalties,
16 sanctions, or damages for complying in good faith with a review
17 decision rendered by an independent review entity organization
18 pursuant to this section.

19 *e.* Nothing contained in this section or in section 514G.109
20 shall be construed to limit the right of an insurer to assert
21 any rights an insurer may have under a long-term care insurance
22 policy related to:

- 23 (1) An insured's misrepresentation.
- 24 (2) Changes in the insured's benefit eligibility.
- 25 (3) Terms, conditions, and exclusions contained in the
26 policy, other than failure to meet the benefit trigger.

27 *f.* The requirements of this section and section 514G.109 are
28 not applicable to a group long-term care insurance policy that
29 is governed by the federal Employee Retirement Income Security
30 Act of 1974, as codified at 29 U.S.C. ~~§100~~ §1001 et seq.

31 *g.* The provisions of this section and section 514G.109
32 are in lieu of and supersede any other third-party review
33 requirement contained in chapter 514J or in any other provision
34 of law.

35 *h.* The insured may bring an action in the district court

1 in the county in which the insured resides to enforce the
2 review decision of the independent review ~~entity~~ organization
3 conducting the review or the decision of the court on appeal.

4 9. *Receipt of notice.* Notice required by this section shall
5 be deemed received within five days after the date of mailing.

6 Sec. 25. Section 515.147, Code 2021, is amended to read as
7 follows:

8 **515.147 Fees.**

9 Fees, established by the commissioner of insurance by rule,
10 shall be paid to the commissioner of insurance for deposit as
11 provided in section 505.7 ~~as follows~~ for all of the following:

12 1. For filing an application to do business, including all
13 documents submitted in connection with the application, by a
14 foreign or domestic company, or for filing an application for
15 renewed authority, ~~fifty dollars.~~

16 2. For issuing to a foreign or domestic company a
17 certificate of authority to do business or a renewed
18 certificate of authority, ~~fifty dollars.~~

19 3. For filing amended articles of incorporation, ~~fifty~~
20 ~~dollars.~~

21 4. For issuing an amended certificate of authority,
22 ~~twenty-five dollars.~~

23 5. For affixing the official seal to any paper filed with
24 the division, ~~ten dollars.~~

25 Sec. 26. Section 515A.2, subsection 1, Code 2021, is amended
26 by adding the following new paragraph:

27 NEW PARAGRAPH. *0a.* "Commissioner" means the commissioner
28 of insurance.

29 Sec. 27. Section 515A.6, subsection 1, paragraph c, Code
30 2021, is amended to read as follows:

31 *c.* Licenses issued pursuant to this section shall remain
32 in effect for three years unless sooner suspended or revoked
33 by the commissioner. The ~~fee for the license~~ fee shall be ~~one~~
34 ~~hundred dollars~~ established by the commissioner by rule.

35 Sec. 28. Section 515A.6, subsection 7, Code 2021, is amended

1 to read as follows:

2 7. Notwithstanding any ~~other provision of the Code~~ law to
3 the contrary, the commissioner ~~of insurance~~ shall provide for
4 a hearing in a proceeding involving a workers' compensation
5 insurance rate filing by a licensed rating organization
6 in accordance with the provisions of this subsection and
7 rules promulgated by the commissioner ~~of insurance~~ pursuant
8 to chapter 17A. Except as otherwise provided herein, the
9 provisions of this subsection shall not be subject to the
10 requirements of chapter 17A. The procedures for such hearing
11 shall be as follows:

12 a. The commissioner shall provide notice of the filing of
13 the proposed rates at least thirty days before the effective
14 date of the proposed rates by publishing a notice on the
15 internet site of the insurance division of the department of
16 commerce.

17 b. A public hearing shall be held on the proposed rates by
18 the commissioner ~~of insurance~~ if within fifteen days of the
19 date of publication a workers' compensation policyholder or an
20 established organization with one or more workers' compensation
21 policyholders among its members files a written demand with the
22 commissioner ~~of insurance~~ for a hearing on the proposed rates.

23 c. The commissioner ~~of insurance~~ shall hold the hearing
24 within twenty days after receipt of the written demand for a
25 hearing and shall give not less than ten days written notice of
26 the time and place of the hearing to the person or association
27 filing the demand, to the rating organization, and to any other
28 person requesting such notice.

29 d. At any such hearing, the rating organization shall
30 bear the burden of proof to support the proposed rates by a
31 preponderance of the evidence. The person or association
32 requesting the hearing, and any other person admitted as a
33 party to the proceeding, shall be given the opportunity to
34 respond and introduce evidence and arguments on all the issues
35 involved.

1 e. Within fifteen days after the start of the hearing, the
2 commissioner ~~of insurance will~~ shall approve or disapprove
3 the proposed rates and specify the reasons therefor. The
4 commissioner ~~of insurance~~ may suspend or postpone the effective
5 date of the proposed rates pending the hearing and written
6 decision thereon.

7 f. Judicial review of the decision of the commissioner ~~of~~
8 ~~insurance~~ on such rates may be sought in accordance with the
9 provisions of chapter 17A.

10 g. Absent a request for a hearing as provided in paragraph
11 "b", the commissioner shall issue an order approving or
12 disapproving the proposed rates.

13 h. The waiting period for a workers' compensation insurance
14 rate filing shall commence no earlier than the date that notice
15 of the insurance rate filing is published.

16 Sec. 29. Section 515A.10, Code 2021, is amended to read as
17 follows:

18 **515A.10 Advisory organizations.**

19 1. Every group, association or other organization of
20 insurers, whether located within or outside of this state,
21 which assists insurers which make their own filings or rating
22 organizations in rate making, by the collection and furnishing
23 of loss or expense statistics, or by the submission of
24 recommendations, but which does not make filings under this
25 chapter, shall be known as an advisory organization.

26 2. An advisory organization shall not provide a service
27 relating to this chapter, and an insurer shall not utilize
28 the services of an advisory organization for such purposes
29 unless the advisory organization has obtained a license under
30 subsection 3.

31 ~~2.~~ 3. Every An advisory organization applying for a license
32 shall file include with its application to the commissioner all
33 of the following:

34 a. A copy of its constitution, its articles of agreement
35 or association or its certificate of incorporation and of its

1 bylaws, rules and regulations governing its activities.

2 *b.* A list of its members.

3 *c.* The name and address of a resident of this state upon
4 whom notices or orders of the commissioner or process issued at
5 the commissioner's direction may be served.

6 *d.* An agreement that the commissioner may examine such
7 advisory organization in accordance with the provisions of
8 section 515A.12.

9 *e.* A fee established by the commissioner by rule.

10 ~~3.~~ 4. If, after a hearing, the commissioner finds that
11 ~~the furnishing of such information or assistance involves an~~
12 advisory organization has engaged in any act or practice which
13 is unfair, or unreasonable, or otherwise inconsistent with the
14 provisions in violation of this chapter, the commissioner may
15 issue a written an order specifying in what respects such act
16 or practice is unfair or unreasonable or otherwise inconsistent
17 with the provisions of this chapter, and requiring the
18 discontinuance of such act or practice advisory organization to
19 cease and desist such act or practice. The commissioner may,
20 at any time after hearing, revoke or suspend the license of an
21 advisory organization which does not comply with this chapter.

22 ~~4.~~ 5. No insurer which makes its own filings nor any rating
23 organization shall support its filings by statistics or adopt
24 rate making recommendations, furnished to it by an advisory
25 organization which has not complied with this section or with
26 an order of the commissioner involving such statistics or
27 recommendations issued under subsection ~~3~~ 4 of this section.
28 If the commissioner finds such insurer or rating organization
29 to be in violation of this subsection the commissioner may
30 issue an order requiring the discontinuance of such violation.

31 6. A license issued under this section shall remain in
32 effect for three years unless sooner suspended or revoked by
33 the commissioner.

34 Sec. 30. Section 515D.4, subsection 2, paragraph a, Code
35 2021, is amended to read as follows:

1 a. The named insured or any operator who either resides
2 in the same household or customarily operates an automobile
3 insured under the policy has that person's driver's license
4 suspended or revoked during ~~the policy term or, if the policy~~
5 ~~is a renewal, during its term or the one hundred eighty days~~
6 ~~immediately preceding its effective date.~~ any of the following:

7 (1) The term of the policy.

8 (2) The term of a renewal policy.

9 (3) Within one hundred eighty calendar days immediately
10 preceding the effective date of a renewal of the policy.

11 Sec. 31. Section 515D.4, subsection 3, Code 2021, is amended
12 to read as follows:

13 3. This section shall not apply to any policy or coverage
14 which has been in effect less than sixty calendar days at the
15 time notice of cancellation is mailed or delivered by the
16 insurer unless it is a renewal policy. This section shall not
17 apply to the nonrenewal of a policy.

18 Sec. 32. Section 515D.5, Code 2021, is amended to read as
19 follows:

20 **515D.5 Delivery of notice.**

21 1. a. Notwithstanding the provisions of section 515.129A,
22 a notice of cancellation of a policy shall not be effective
23 unless mailed or delivered by the insurer to the named insured
24 at least thirty calendar days prior to the effective date of
25 cancellation, or, where the cancellation is for nonpayment of
26 premium notwithstanding the provisions of section 515.129A,
27 at least ten calendar days prior to the date of cancellation.
28 A post office department certificate of mailing to the named
29 insured at the address shown in the policy shall be proof
30 of receipt of such mailing. Unless the reason accompanies
31 the notice of cancellation, the notice shall state that upon
32 written request of the named insured, mailed or delivered to
33 the insurer not less than fifteen calendar days prior to the
34 date of cancellation, the insurer will state the reason for
35 cancellation together with notification of the right to a

1 hearing before the commissioner within fifteen calendar days as
2 provided in this chapter.

3 *b.* When the reason does not accompany the notice of
4 cancellation, the insurer shall, upon receipt of a timely
5 request by the named insured, state in writing the reason
6 for cancellation. A statement of reason shall be mailed or
7 delivered to the named insured within five calendar days after
8 receipt of a request.

9 2. A notice of exclusion of a person under a policy pursuant
10 to section 515D.4, is not effective unless written notice
11 is mailed or delivered to the named insured at least twenty
12 calendar days prior to the effective date of the exclusion.
13 The written notice shall state the reason for the exclusion,
14 together with notification of the right to a hearing before
15 the commissioner pursuant to section 515D.10 within fifteen
16 calendar days of receipt or delivery of a statement of reason
17 as provided in this section.

18 Sec. 33. Section 515D.6, Code 2021, is amended to read as
19 follows:

20 **515D.6 Prohibited reasons for nonrenewal.**

21 1. No insurer shall refuse to renew a policy solely because
22 of age, residence, sex, race, color, creed, or occupation of
23 ~~an insured.~~

24 2. No insurer shall require a physical examination of a
25 policyholder as a condition for renewal solely on the basis of
26 age or other arbitrary reason. In the event that an insurer
27 requires a physical examination of a policyholder, the burden
28 of proof in establishing reasonable and sufficient grounds for
29 such requirement shall rest with the insurer and the expenses
30 incident to such examination shall be borne by the insurer.

31 Sec. 34. Section 515D.7, Code 2021, is amended to read as
32 follows:

33 **515D.7 Notice of intent.**

34 1. Notwithstanding the provisions of sections 515.125,
35 515.128, 515.129B, and 515.129C, an insurer shall not fail to

1 renew a policy except by notice to the insured as provided
2 in this chapter. A notice of intention not to renew shall
3 not be effective unless mailed or delivered by the insurer
4 to the named insured at least thirty calendar days prior to
5 the expiration date of the policy. A post office department
6 certificate of mailing to the named insured at the address
7 shown in the policy shall be proof of receipt of such mailing.
8 Unless the reason accompanies the notice of intent not to
9 renew, the notice shall state that, upon written request of
10 the named insured, mailed or delivered to the insurer not less
11 than thirty calendar days prior to the expiration date of the
12 policy, the insurer will state the reason for nonrenewal.

13 2. When the reason does not accompany the notice of intent
14 not to renew, the insurer shall, upon receipt of a timely
15 request by the named insured, state in writing the reason
16 for nonrenewal, together with notification of the right to a
17 hearing before the commissioner within fifteen calendar days
18 as provided herein. A statement of reason shall be mailed or
19 delivered to the named insured within ten days after receipt
20 of a request.

21 3. This section shall not apply:

22 a. If the insurer has manifested its willingness to renew.

23 b. If the insured fails to pay any premium due or any
24 advance premium required by the insurer for renewal.

25 c. If the insured is transferred from an insurer to
26 an affiliate for future coverage as a result of a merger,
27 acquisition, or company restructuring and if the transfer
28 results in the same or broader coverage.

29 Sec. 35. Section 515D.10, Code 2021, is amended to read as
30 follows:

31 **515D.10 Hearing before commissioner.**

32 Any named insured who has received a statement of reason
33 for cancellation, or of reason for an insurer's intent not
34 to renew a policy, may, within fifteen calendar days of the
35 receipt or delivery of a statement of reason, request a hearing

1 before the commissioner of insurance. The purpose of this
2 hearing shall be limited to establishing the existence of the
3 proof or evidence ~~used~~ stated by the insurer ~~in~~ as its reason
4 for cancellation or intent not to renew. The burden of proof
5 of the reason for cancellation or intent not to renew shall
6 be upon the insurer. Other than the sharing of information
7 required by this chapter and the rules adopted pursuant to
8 the provisions of this chapter, the commissioner shall keep
9 confidential the information obtained from the insured or in
10 the hearing process, pursuant to section 505.8, subsection 8.
11 The commissioner of insurance shall adopt rules ~~for carrying~~
12 ~~out~~ pursuant to chapter 17A to implement the provisions of this
13 section.

14 Sec. 36. Section 515F.2, Code 2021, is amended by adding the
15 following new unnumbered paragraph:

16 NEW UNNUMBERED PARAGRAPH. As used in this chapter, unless
17 the context otherwise requires:

18 Sec. 37. Section 515F.2, Code 2021, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 2A. "*Commissioner*" means the commissioner
21 of insurance.

22 Sec. 38. Section 515F.8, subsection 3, paragraph a, Code
23 2021, is amended by adding the following new subparagraph:

24 NEW SUBPARAGRAPH. (7) A license fee as established by the
25 commissioner by rule.

26 Sec. 39. Section 515F.8, subsection 3, paragraph d, Code
27 2021, is amended to read as follows:

28 *d. Duration.* A license issued under this section shall
29 remain in effect for ~~one year~~ three years unless the license
30 is suspended or revoked. The commissioner may, at any time
31 after hearing, revoke or suspend the license of an advisory
32 organization which does not comply with ~~the requirements and~~
33 ~~standards of~~ this chapter.

34 Sec. 40. Section 515F.32, Code 2021, is amended by adding
35 the following new unnumbered paragraph:

1 NEW UNNUMBERED PARAGRAPH. As used in this subchapter,
2 unless the context otherwise requires:

3 Sec. 41. Section 515F.32, subsection 3, Code 2021, is
4 amended to read as follows:

5 3. "*Insurer*" includes all companies or associations licensed
6 to transact insurance business in this state under chapters
7 515, 518, and 518A, reciprocal insurers issued a certificate
8 of authority pursuant to chapter 520, and companies or
9 associations admitted or seeking to be admitted to do business
10 in this state under any of those chapters, notwithstanding any
11 provision of the Code to the contrary.

12 Sec. 42. Section 515F.36, subsection 2, paragraph a,
13 subparagraphs (1) and (2), Code 2021, are amended to read as
14 follows:

15 (1) American property casualty insurance association.

16 (2) ~~Property casualty insurers association of America~~
17 National association of mutual insurance companies.

18 Sec. 43. NEW SECTION. 515F.39 **Cancellation or nonrenewal**
19 **— FAIR notice.**

20 If basic property insurance coverage is canceled or not
21 renewed other than for nonpayment of a premium pursuant to
22 section 515.125, 515.126, 515.127, 515.128, 518.23, or 518A.29,
23 the insurer shall notify the named insured that the named
24 insured may be eligible for basic property insurance through
25 the FAIR plan. The notice shall accompany the notice of
26 cancellation or the intent not to renew.

27 Sec. 44. Section 515I.4, subsection 1, paragraph a, Code
28 2021, is amended to read as follows:

29 a. Capital and surplus or its equivalent under the laws of
30 the insurer's domiciliary jurisdiction which equals the ~~greater~~
31 ~~of either~~ greatest of the following:

32 (1) The minimum capital and surplus requirements under the
33 laws of this state.

34 (2) Fifteen million dollars.

35 (3) The risk-based capital level requirements pursuant to

1 chapter 521E.

2 Sec. 45. Section 520.12, subsection 2, Code 2021, is amended
3 to read as follows:

4 2. A reciprocal or interinsurance insurer shall submit
5 annually, on or before March 1, a completed application for
6 renewal of the insurer's certificate of authority. An insurer
7 that fails to timely file an application for renewal shall pay
8 an administrative fee ~~of five hundred dollars to the treasurer~~
9 ~~of state for deposit as provided in section 505.7 to the~~
10 commissioner of insurance as established by the commissioner of
11 insurance by rule.

12 Sec. 46. Section 521.18, Code 2021, is amended to read as
13 follows:

14 **521.18 Articles of merger or consolidation — filing fees**
15 **and approval.**

16 A company filing a plan to merge or consolidate under the
17 provisions of this chapter shall file its articles of merger
18 or consolidation with the commission for its approval. The
19 fee for filing articles of merger or consolidation with
20 the commission ~~is fifty dollars~~ shall be established by the
21 commissioner by rule.

22 Sec. 47. Section 522.9, subsection 1, Code 2021, is amended
23 to read as follows:

24 1. If an insurer fails, without just cause, to file an
25 own risk and solvency assessment summary report by the filing
26 date stipulated to the commissioner pursuant to section 522.5,
27 subsection 1, paragraph "c", the commissioner shall, after
28 notice and hearing, impose a penalty of five hundred dollars
29 for each calendar day after the stipulated date that the
30 summary report is not filed. The penalties shall be collected
31 by the commissioner and deposited ~~in the general fund of the~~
32 state pursuant to section 505.7. The maximum penalty which may
33 be imposed under this section is fifty thousand dollars.

34 Sec. 48. Section 522A.5, Code 2021, is amended to read as
35 follows:

1 **522A.5 Fees Counter employee — license fee.**

2 The fee for a counter employee license shall be ~~fifty dollars~~
 3 ~~per counter employee established by the commissioner by rule.~~
 4 ~~In no case shall any combined fees exceed one thousand dollars~~
 5 ~~in any calendar year for any one rental company or limited~~
 6 ~~license or licensee or renewal license.~~ The fees collected
 7 under this section shall be deposited as provided in section
 8 505.7.

9 Sec. 49. Section 522B.5, subsection 1, paragraph c, Code
 10 2021, is amended to read as follows:

11 c. The individual has paid the license fee ~~of fifty dollars~~
 12 established by the commissioner by rule.

13 Sec. 50. Section 522E.4, subsection 1, paragraph c, Code
 14 2021, is amended to read as follows:

15 c. An application fee ~~of the lesser of fifty dollars per~~
 16 ~~each endorsee at a location of the vendor or five hundred~~
 17 ~~dollars per location valid for a three-year period and, for~~
 18 ~~each three-year period thereafter, a renewal fee in the same~~
 19 ~~amount. A maximum fee of five thousand dollars shall apply~~
 20 ~~for licensure of a portable electronics vendor with multiple~~
 21 ~~locations~~ established by the commissioner by rule. The fees
 22 collected shall be deposited as provided in section 505.7.

23 DIVISION III

24 CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL SALES

25 Sec. 51. Section 523A.204, subsections 1 and 2, Code 2021,
 26 are amended to read as follows:

27 1. A preneed seller shall file an annual report with the
 28 commissioner not later than April 1 ~~of each year an annual~~
 29 ~~report~~ 15 on a form prescribed by the commissioner.

30 2. A preneed seller filing an annual report shall pay a
 31 filing fee ~~of ten dollars~~ established by the commissioner by
 32 rule per purchase agreement sold during the year covered by
 33 the report. Duplicate filing fees are not required for the
 34 same purchase agreement. If a purchase agreement has multiple
 35 sellers, the filing fee shall be paid by the preneed seller

1 actually providing the merchandise and services.

2 Sec. 52. Section 523A.204, Code 2021, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 4. The commissioner may impose a late
5 fee, established by the commissioner by rule, for each day
6 after April 15 that a preneed seller fails to file the preneed
7 seller's annual report. The maximum late fee that may be
8 imposed under this subsection is five hundred dollars. The fee
9 shall be collected by the commissioner and deposited pursuant
10 to section 505.7.

11 Sec. 53. Section 523A.501, subsections 7 and 8, Code 2021,
12 are amended to read as follows:

13 7. A preneed seller's license ~~expires~~ shall expire annually
14 on April ~~15~~ 30. If ~~the a~~ preneed seller has filed a ~~complete~~
15 an annual report pursuant to section 523A.204, subsection 1,
16 and paid the required fees ~~as required in section 523A.204,~~ the
17 commissioner shall renew the preneed seller's license until
18 April ~~15~~ 30 of the following year.

19 8. The commissioner may by rule create or accept a
20 multijurisdiction preneed seller's license. If the preneed
21 seller's license is issued by another jurisdiction, the rules
22 shall require the filing of an application or notice form and
23 payment of the applicable filing fee ~~of fifty dollars for an~~
24 application established by the commissioner by rule. The
25 application or notice form utilized and the effective dates and
26 terms of the license may vary from the provisions set forth in
27 this section.

28 Sec. 54. Section 523A.502, subsection 5, Code 2021, is
29 amended to read as follows:

30 5. A sales license shall expire annually on April ~~15~~ 30. If
31 ~~the a~~ sales agent has filed a ~~substantially complete~~ an annual
32 report as required in pursuant to section 523A.502A, subsection
33 1, and has fulfilled the continuing education requirements
34 pursuant to subsection 6, the commissioner shall renew the
35 sales agent's sales license until April ~~15~~ 30 of the following

1 year.

2 Sec. 55. Section 523A.502A, subsection 1, Code 2021, is
3 amended to read as follows:

4 1. ~~A~~ No later than April 15, a sales agent shall file an
5 annual report with the commissioner ~~not later than April 1~~
6 ~~of each year an annual report~~ on a form prescribed by the
7 commissioner describing each purchase agreement sold by the
8 sales agent during the year. An annual report must be filed
9 whether or not ~~sales were made~~ a sales agent sold any purchase
10 agreements during the year and ~~even if the~~ whether or not a
11 sales agent is ~~no longer still~~ is still an agent of a preneed seller or
12 is still licensed by the commissioner.

13 Sec. 56. Section 523A.502A, Code 2021, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 3. The commissioner may impose a late fee,
16 established by the commissioner by rule, for each day after
17 April 15 that a sales agent fails to file the sales agent's
18 annual report. The maximum late fee that may be imposed
19 pursuant to this section is five hundred dollars. The fee
20 shall be collected by the commissioner and deposited pursuant
21 to section 505.7.

22 Sec. 57. Section 523A.601, subsection 4, Code 2021, is
23 amended by striking the subsection and inserting in lieu
24 thereof the following:

25 4. All purchase agreements, including a purchase agreement
26 delivered or executed by electronic means, must have a sales
27 agent identified. A purchase agreement, including a purchase
28 agreement delivered or executed by electronic means, shall
29 be reviewed by the sales agent identified and named in the
30 purchase agreement pursuant to subsection 1, paragraph "a", and
31 signed by the purchaser and seller. If the purchase agreement
32 is for mortuary science services as "*mortuary science*" is
33 defined in section 156.1, the purchase agreement must also be
34 signed by a person licensed to deliver funeral services.

35 Sec. 58. Section 523A.807, subsection 3, unnumbered

1 paragraph 1, Code 2021, is amended to read as follows:

2 If the commissioner finds that a person has violated section
3 523A.201, 523A.202, 523A.203, 523A.204, 523A.207, 523A.401,
4 523A.402, 523A.403, 523A.404, 523A.405, 523A.501, ~~or~~ 523A.502,
5 or 523A.502A, or any rule adopted pursuant thereto, the
6 commissioner may order any or all of the following:

7 Sec. 59. Section 523A.812, Code 2021, is amended to read as
8 follows:

9 **523A.812 Insurance division regulatory fund.**

10 The insurance division may authorize the creation of a
11 special revenue fund in the state treasury, to be known as the
12 insurance division regulatory fund. The commissioner shall
13 allocate annually from the filing fees paid pursuant to section
14 523A.204, ~~two dollars~~ an amount established by the commissioner
15 by rule for each purchase agreement reported on a preneed
16 seller's annual report filed pursuant to section 523A.204 for
17 deposit to the regulatory fund. The remainder of the fees
18 collected pursuant to section 523A.204 shall be deposited
19 as provided in section 505.7. The commissioner shall also
20 allocate annually the examination fees paid pursuant to section
21 523A.814 and any examination expense reimbursement for deposit
22 to the regulatory fund. The moneys in the regulatory fund
23 shall be retained in the fund. The moneys are appropriated
24 and, subject to authorization by the commissioner, may be used
25 to pay examiners, examination expenses, investigative expenses,
26 the expenses of mediation ordered by the commissioner, consumer
27 education expenses, the expenses of a toll-free telephone
28 line to receive consumer complaints, and the expenses of
29 receiverships established under section 523A.811. If the
30 commissioner determines that funding is not otherwise available
31 to reimburse the expenses of a person who receives title
32 to a cemetery subject to chapter 523I, pursuant to such
33 a receivership, the commissioner shall use moneys in the
34 regulatory fund as necessary to preserve, protect, restore,
35 and maintain the physical integrity of that cemetery and to

1 satisfy claims or demands for cemetery merchandise, funeral
2 merchandise, and funeral services based on purchase agreements
3 which the commissioner determines are just and outstanding.
4 ~~An annual allocation to the regulatory fund shall not be~~
5 ~~imposed if the current balance of the fund exceeds five hundred~~
6 ~~thousand dollars.~~

7 Sec. 60. Section 523A.814, Code 2021, is amended to read as
8 follows:

9 **523A.814 Examination fee.**

10 In addition to the filing fee paid pursuant to section
11 523A.204, subsection 2, a seller filing an annual report
12 shall pay an examination fee in the amount ~~of five dollars~~
13 established by the commissioner by rule for each purchase
14 agreement subject to a filing fee ~~that is sold between July 1,~~
15 ~~2005, and December 31, 2007, and in the amount of ten dollars~~
16 ~~for each purchase agreement subject to a filing fee that is~~
17 ~~sold after December 31, 2007.~~

18

DIVISION IV

19

RESIDENTIAL AND MOTOR VEHICLE SERVICE CONTRACTS

20 Sec. 61. Section 523C.3, subsection 2, Code 2021, is amended
21 to read as follows:

22 2. The application shall be accompanied by all of the
23 following:

24 a. A license fee in the amount ~~of five hundred dollars~~
25 established by the commissioner by rule.

26 b. If applicable, a fee in the amount ~~of fifty dollars~~
27 established by the commissioner by rule for each motor vehicle
28 service contract form submitted in an application as provided
29 in subsection 1, paragraph "f".

30 Sec. 62. Section 523C.4, subsection 3, paragraphs a, b, and
31 c, Code 2021, are amended to read as follows:

32 a. A license renewal fee in the amount ~~of five hundred~~
33 ~~dollars~~ established by the commissioner by rule.

34 b. If applicable, a fee ~~in the amount of three percent~~
35 percentage established by the commissioner by rule of the

1 aggregate amount of payments the licensee received for the sale
2 or issuance of residential service contracts in this state
3 during the preceding fiscal year, ~~provided that such fee shall~~
4 ~~be no less than one hundred dollars and no greater than fifty~~
5 ~~thousand dollars.~~

6 c. If applicable, a fee in the amount of ~~fifty dollars~~
7 established by the commissioner by rule for each motor
8 vehicle service contract form submitted ~~in a~~ with the renewal
9 application pursuant to subsection 2, and as provided in
10 section 523C.3, subsection 1, paragraph "f".

11 Sec. 63. Section 523C.24, subsection 2, Code 2021, is
12 amended to read as follows:

13 2. The commissioner shall deposit in the service company
14 oversight fund an amount equal to one-third of all licensing,
15 examination, renewal, and inspection fees collected under this
16 chapter, provided that the maximum amount of fees deposited
17 in the fund each fiscal year shall not exceed ~~five hundred~~
18 ~~thousand dollars~~ an amount established by the commissioner by
19 rule. Any remaining fees collected under this chapter and
20 not deposited in the service company oversight fund shall be
21 deposited as provided in section 505.7.

22 DIVISION V

23 RETIREMENT FACILITIES

24 Sec. 64. Section 523D.2A, unnumbered paragraph 1, Code
25 2021, is amended to read as follows:

26 On or before March 1 of each year, a provider shall
27 file a certification with the commissioner ~~in a manner and~~
28 ~~according to~~ in compliance with requirements established by the
29 commissioner by rule. The certification shall be accompanied
30 by a ~~one hundred dollar administrative fee which fee in an~~
31 amount established by the commissioner by rule and shall be
32 deposited as provided in section 505.7. The certification
33 shall attest that according to the best knowledge and belief of
34 the attesting party, the facility administered by the provider
35 is in compliance with ~~the provisions of~~ this chapter, including

1 rules adopted by the commissioner ~~or~~ and orders issued by the
2 commissioner as authorized under this chapter. The attesting
3 person may be any of the following:

4 DIVISION VI

5 IOWA CEMETERY ACT

6 Sec. 65. Section 523I.102, subsection 6, Code 2021, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. *d.* A cemetery under the jurisdiction and
9 control of a cemetery commission pursuant to section 331.325,
10 subsection 3, paragraph `c`.

11 Sec. 66. Section 523I.213, Code 2021, is amended to read as
12 follows:

13 **523I.213 Insurance division's enforcement fund.**

14 A special revenue fund in the state treasury, to be known as
15 the insurance division's enforcement fund, is created under the
16 authority of the commissioner. The commissioner shall ~~allocate~~
17 ~~annually from the examination fees paid pursuant to section~~
18 ~~523I.808, an amount not exceeding fifty thousand dollars, for~~
19 ~~deposit to~~ all examination fees collected pursuant to section
20 523I.808 in the insurance division's enforcement fund. The
21 moneys in the enforcement fund shall be retained in the fund.
22 The moneys are appropriated and, subject to authorization by
23 the commissioner, shall be used to pay examiners, examination
24 expenses, investigative expenses, the expenses of consumer
25 education, compliance, and education programs for filers and
26 other regulated persons, and educational or compliance program
27 materials, the expenses of a toll-free telephone line for
28 consumer complaints, and the expenses of receiverships of
29 perpetual care cemeteries established under section 523I.212.

30 Sec. 67. Section 523I.301, subsections 1 and 2, Code 2021,
31 are amended to read as follows:

32 1. A cemetery shall disclose, prior to the sale of interment
33 rights, whether opening and closing ~~of the interment space is~~
34 services are included in the purchase of the interment rights.
35 If opening and closing services are not included in the sale of

1 interment rights and the cemetery offers opening and closing
2 services, the cemetery must disclose that the price for ~~this~~
3 service opening and closing services is subject to change
4 and must disclose the current prices for opening and closing
5 services provided by the cemetery.

6 2. The cemetery shall fully disclose all fees required for
7 interment, entombment, ~~or inurnment~~, or disinterment of human
8 remains.

9 Sec. 68. Section 523I.309, subsection 6, Code 2021, is
10 amended to read as follows:

11 6. A cemetery ~~may~~ shall disinter and relocate remains
12 interred in the cemetery for the purpose of correcting an error
13 made by the cemetery after obtaining a disinterment permit
14 as required by section 144.34, unless the interested parties
15 have a written agreement directing otherwise. The cemetery
16 shall bear the costs of the disinterment and relocation. The
17 cemetery shall provide written notice describing the error
18 to the commissioner and to the person who has the right to
19 control the interment, relocation, or disinterment of the
20 remains erroneously interred, by restricted certified mail at
21 the person's last known address and sixty days prior to the
22 disinterment. The notice shall include the location where the
23 disinterment will occur and the location of the new interment
24 space. ~~A cemetery is not civilly or criminally liable for an~~
25 ~~erroneously made interment that is corrected in compliance~~
26 ~~with this subsection unless the error was the result of gross~~
27 ~~negligence or intentional misconduct.~~

28 Sec. 69. Section 523I.808, Code 2021, is amended to read as
29 follows:

30 **523I.808 Examination Annual report — examination fee.**

31 An examination fee, established by the commissioner by rule,
32 for each certificate of internment rights issued during the
33 time period covered by the report shall be submitted with the a
34 perpetual care cemetery's annual report in an amount equal to
35 five dollars for each certificate of interment rights issued

1 ~~during the time period covered by the report filed pursuant to~~
2 section 523I.813. The cemetery may charge the examination fee
3 directly to the purchaser of the interment rights.

4 Sec. 70. Section 523I.813, subsection 3, Code 2021, is
5 amended by striking the subsection and inserting in lieu
6 thereof the following:

7 3. The commissioner may assess a late fee, established
8 by the commissioner by rule, for each day after the date on
9 which a perpetual care cemetery's annual report is due that the
10 perpetual care cemetery fails to file the report. The late fee
11 shall be collected by the commissioner and deposited pursuant
12 to section 505.7.

13 DIVISION VII

14 STATE INNOVATION WAIVER

15 Sec. 71. NEW SECTION. 505.18A State innovation waivers.

16 1. The commissioner of insurance may develop by rule
17 a state innovation waiver pursuant to section 1332 of the
18 federal Patient Protection and Affordable Care Act, Pub. L. No.
19 111-148.

20 2. The commissioner of insurance may submit an application
21 on behalf of the state to the United States secretary of health
22 and human services and the United States secretary of the
23 treasury for the state innovation waiver developed pursuant to
24 subsection 1.

25 3. If a state innovation waiver submitted pursuant to
26 subsection 2 is approved by the United States secretary of
27 health and human services and the United States secretary of
28 the treasury, the commissioner of insurance may implement the
29 state innovation waiver in a manner consistent with applicable
30 state and federal law.

31 4. The commissioner of insurance may adopt emergency
32 rules under section 17A.4, subsection 3, and section 17A.5,
33 subsection 2, paragraph "b", to implement the provisions of
34 this section and the rules shall be effective immediately upon
35 filing unless a later date is specified in the rules. Any

1 rules adopted in accordance with this section shall also be
2 published as a notice of intended action as provided in section
3 17A.4.

4

EXPLANATION

5

The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7

This bill relates to various matters under the purview of the
8 insurance division of the department of commerce. The bill is
9 organized into seven divisions.

10

DIVISION I — UNIFORM SECURITIES. Code section 502.304A
11 (expedited registration by filing for small issuers) is amended
12 to provide that an issuer, and a person registering as an
13 agent of the issuer, must pay the administrator a registration
14 fee established by the administrator, rather than the set
15 fee amounts of \$100 (issuer) and \$10 (person registering as
16 an agent) required by current law. Code section 502.321G
17 (fees) is amended to change the nonrefundable fee for a
18 registration statement filed by an offeror from \$250 to an
19 amount established by the administrator.

20

Code section 502.410 (filing fees) is amended to change
21 the broker-dealer filing fee for an application or renewal
22 registration from \$200 to an amount established by the
23 administrator. In addition, the filing fee for registration
24 or renewal as an agent is amended from \$40 to an amount
25 established by the administrator. Of the agent registration
26 fees collected, 25 percent are appropriated to the securities
27 investor education and financial literacy training fund.
28 Current law provides that \$10 of every \$40 fee collected
29 goes to the fund. The filing fee for an investment adviser
30 application or renewal registration is amended from \$100 to
31 an amount established by the administrator. The bill also
32 amends the filing fees for an investment adviser representative
33 application, renewal registration, and change of registration
34 from \$30 to an amount established by the administrator. A
35 federal covered investment adviser must pay an initial fee

1 and an annual notice fee in an amount established by the
2 administrator, rather than the \$100 fee required under current
3 law.

4 DIVISION II — INSURANCE. The bill amends Code section
5 505.30 (service of process on the commissioner) to specify
6 that the commissioner of insurance (commissioner) may set a
7 reasonable fee for service made on the commissioner.

8 The bill amends Code section 507A.4 (transactions where law
9 not applicable) and provides that Code chapter 507A does not
10 apply to a multiple employer welfare arrangement (MEWA) or a
11 MEWA formed as an association health plan (AHP) that meets the
12 requirements of Code chapter 513D. The bill strikes current
13 Code section 513D.1 (association health plans) and replaces it
14 with new provisions which detail the requirements for MEWAs and
15 AHPs that offer a plan to, or that maintain a group health plan
16 for, any resident of Iowa. "AHP" and "MEWA" are defined in the
17 bill.

18 The bill details the requirements of the annual filings with
19 the commissioner required of registered AHPs and MEWAs. The
20 bill provides that a MEWA that is recognized as tax-exempt
21 under Internal Revenue Code section 501(c)(9), and that is
22 registered with the commissioner prior to January 1, 2018,
23 shall not be considered an AHP unless the MEWA affirmatively
24 elects to be treated as an AHP. The bill makes conforming
25 changes to Code section 513D.2 (rules and enforcement).

26 Code section 507B.7 (cease and desist orders) is amended
27 to provide that a person who violates any order of the
28 commissioner, rather than just a cease and desist order as is
29 in current law, may, after notice and hearing be subject to a
30 monetary penalty and suspension or revocation of the person's
31 license.

32 Code section 507E.2 (purpose) is amended by the bill to
33 require that an insurance fraud bureau investigator be no more
34 than 65 years of age. Current law does not place an upper
35 limit on the age for insurance fraud bureau investigators.

1 The bill broadens the definition of "insurer" in Code
2 section 507E.2A (definitions) to include any corporation,
3 association, partnership, or individual engaged in the business
4 of insurance, including but not limited to a corporation,
5 association, partnership, or individual that issues a policy
6 of workers' compensation, a self-insured business for purposes
7 of workers' compensation liability, or a group or self-insured
8 plan. The bill specifically excludes a person required to be
9 licensed to sell, solicit, or negotiate insurance pursuant to
10 Code chapter 522B from the definition.

11 Code section 507E.8 (law enforcement authority) is amended
12 by the bill to specify that an individual who is employed by
13 the insurance division and is designated as a peace officer
14 shall be considered a law enforcement officer and shall
15 exercise the powers of a law enforcement officer as detailed
16 in the bill.

17 The bill amends Code section 508E.3 (license requirements) to
18 change the application and renewal fees for a viatical
19 settlement provider and a viatical settlement broker from \$100
20 to an amount established by the administrator.

21 Code section 509A.15 (certification of self-insurance plans
22 — exemption) is amended to change the filing fee for the end
23 of fiscal year filing of a governing body of a self-insurance
24 plan of a political subdivision or a school corporation from
25 \$100 to an amount established by the commissioner. The current
26 \$15 per day penalty for late filings is changed to a late fee
27 established by the commissioner.

28 The bill makes conforming changes to Code section 510.21
29 (certificate of registration) and also requires that an
30 application for registration as a third-party administrator be
31 accompanied by a filing fee as established by the commissioner.
32 Current law does not require submission of a filing fee.

33 The bill strikes and replaces Code section 510.23 (unfair
34 competition or unfair and deceptive acts or practices
35 prohibited) and makes third-party administrators that violate

1 Code chapter 507B or 510 subject to the sanctions and penalties
2 set out in Code section 507B.7. Third-party administrators are
3 subject to Code chapter 507B under current law.

4 Code section 511.24 (fees from domestic and foreign
5 companies) is amended to change specific dollar amounts for
6 certain filing fees for foreign or domestic life insurance
7 companies to fee amounts determined by the commissioner.

8 The bill makes conforming changes to Code section 512B.24
9 (reports) and requires that the annual filing by fraternal
10 benefit societies be accompanied by a fee established by the
11 commissioner, rather than \$50 as required by current law.

12 The bill makes conforming changes to Code section 512B.25
13 (annual license — renewal) and requires that for each license
14 or renewal application a fraternal benefit society submit a fee
15 established by the commissioner, rather than \$50 as required by
16 current law. The bill also changes the current administrative
17 penalty of \$500 for a late renewal filing to a late fee as
18 established by the commissioner.

19 The bill makes conforming changes to Code chapter 514G
20 (long-term care insurance) and amends the Code chapter
21 to change the terminology throughout the Code chapter
22 from "independent review entity" to "independent review
23 organization".

24 Code chapter 515.147 (fees) is amended to change filing
25 fees for certain filings from specific dollar amounts to fees
26 determined by the commissioner. The bill makes conforming
27 changes to and amends Code section 515A.10 to provide more
28 specific requirements related to licensing requirements, fees,
29 and penalties for advisory organizations.

30 The bill amends Code section 515F.8 (licensing advisory
31 organizations) to require licensing advisory organizations
32 to submit a fee, determined by the commissioner, with their
33 application for a license, and makes the license effective for
34 three years, rather than the one year under current law.

35 Code section 515F.32 is amended to add reciprocal insurers

1 to the definition of "insurer". Code section 515F.36 is
2 amended to change the makeup of the membership of the governing
3 committee that administers the FAIR plan. The bill creates a
4 new requirement that if basic property insurance coverage is
5 canceled or not renewed other than for nonpayment of a premium
6 pursuant to Code section 515.125, 515.126, 515.127, 515.128,
7 518.23, or 518A.29, the insurer must notify the named insured
8 that they may be eligible for basic property insurance through
9 the FAIR plan, and the notice must accompany the notice of
10 cancellation or the intent not to renew.

11 The bill amends Code section 515I.4 (requirements for
12 eligible surplus lines insurers) to allow a nonadmitted
13 insurer seeking to qualify as an eligible surplus line insurer
14 the option of demonstrating that the nonadmitted insurer
15 has capital and surplus under the laws of the nonadmitted
16 insurer's domiciliary that equal the risk-based capital level
17 requirements required by Iowa law. Current law requires the
18 nonadmitted insurer to demonstrate that the nonadmitted insurer
19 has capital and surplus under the laws of the nonadmitted
20 insurer's domiciliary that equal the greater of the minimum
21 capital and surplus required under the laws of this state, or
22 \$15 million.

23 Code section 520.12 (certificate of authority — renewal —
24 penalties) is amended to change the annual renewal fee for a
25 reciprocal or interinsurance insurer from \$500 to be submitted
26 to the treasurer of state, to an administrative fee as
27 established by the commissioner to be paid to the commissioner.

28 The bill amends Code section 521.18 (articles of merger
29 or consolidation) to change the fee for specific companies
30 to file a plan to merge or consolidate from \$50 to an amount
31 established by the commissioner.

32 Code section 522.9 (penalties) is amended to allow the
33 commissioner to deposit penalties that have been collected due
34 to insurers' failure to file a timely own risk and solvency
35 assessment summary report pursuant to Code section 505.7.

1 Current law requires the commissioner to deposit the penalties
2 into the general fund of the state.

3 Code section 522A.5 (counter employee — license fee) is
4 amended to change the license fee for a counter employee from
5 \$50 to an amount established by the commissioner, and removes
6 the cap of \$1,000 per calendar year for all combined fees paid
7 by any one rental company.

8 The bill amends Code section 522B.5 (application for
9 license) to change the application fee for a resident insurance
10 producer license from \$50 to an amount established by the
11 commissioner.

12 Code section 522E.4 (application and fees) is amended to
13 change the application fee for a portable electronics insurance
14 license from a variable dollar amount to an amount established
15 by the commissioner. The bill also removes the \$5,000 cap
16 on the total application fees that can be charged for the
17 licensure of a portable electronics vendor with multiple
18 locations.

19 The bill makes conforming changes to Code sections 508E.2
20 (definitions), 509.1(9) (form of policy), 509.19(2) (claims
21 and premium disclosures), 515A.2 (definitions), 515A.6
22 (rating organizations), 515A.10 (advisory organizations),
23 515D.4 (notice of cancellation — reasons), 515D.5 (delivery
24 of notice), 515D.6 (prohibited reasons), 515D.7 (notice of
25 intent), 515D.10 (hearing before commissioner), and 515F.2
26 (definitions).

27 DIVISION III — CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL
28 SALES. The bill amends Code section 523A.204 (preneed seller
29 annual reporting requirements) to require preneed sellers to
30 file an annual report by April 15 rather than the current date
31 of April 1. The bill changes the filing fee for the report
32 from \$10 to an amount established by the commissioner. The
33 bill allows the commissioner to impose a late fee for each
34 day the report is late, up to a maximum of \$500. The fee is
35 to be collected by the commissioner and deposited pursuant to

1 Code section 505.7. Code section 523A.501 (preneed sellers —
2 licenses) is amended to specify that preneed sellers' licenses
3 expire annually on April 30, rather than the current expiration
4 date of April 15. The bill changes the filing fee for a
5 multijurisdictional preneed seller's license that is issued by
6 another jurisdiction from \$50 to an amount established by the
7 commissioner.

8 The bill amends Code section 523A.502 (sales agents —
9 licenses) to specify that sales agents' licenses expire
10 annually on April 30, rather than the current expiration date
11 of April 15, and an agent must have fulfilled continuing
12 education requirements to qualify for renewal. Code section
13 523A.502A (sales agent annual reporting requirements) is
14 amended to require sales agents to file an annual report by
15 April 15, rather than the current date of April 1. The bill
16 allows the commissioner to impose a late fee for each day that
17 the annual report is late, up to a maximum of \$500. The fee is
18 to be collected by the commissioner and deposited pursuant to
19 Code section 505.7.

20 The bill strikes and replaces Code section 523A.601
21 (disclosures) and requires that all purchase agreements,
22 including those delivered or executed by electronic means,
23 identify a sales agent. Purchase agreements must also be
24 reviewed by the sales agent and signed by the purchaser and
25 seller. If a purchase agreement is for mortuary science
26 services, the purchase agreement must also be signed by a
27 person licensed to deliver funeral services.

28 The bill amends Code section 523A.812 (insurance division
29 regulatory fund) to allocate an amount established by the
30 commissioner to the regulatory fund from the filing fees for
31 each purchase agreement reported on a preneed seller's annual
32 report. Current law requires the commissioner to allocate
33 \$2 from each filing fee to the regulatory fund. The bill
34 also removes the prohibition on an annual allocation to the
35 regulatory fund if the current balance exceeds \$500,000.

1 Code section 523A.814 (examination fee) is amended to change
2 the examination fee for a seller's annual report from \$5,
3 or other set dollar amount, to an amount established by the
4 commissioner.

5 The bill makes conforming changes to Code section 523A.807
6 (prosecutions for violations of law).

7 DIVISION IV — RESIDENTIAL AND MOTOR VEHICLE SERVICE
8 CONTRACTS. Code section 523C.3 (application for license)
9 is amended to change the \$500 fee for an application for
10 a service company license to a fee established by the
11 commissioner. The current fee of \$50 for each motor vehicle
12 service contract form submitted with an application is also
13 changed to a fee as established by the commissioner. Code
14 section 523C.4 (license expiration and renewal) is amended to
15 change the license renewal fee of \$500 to a fee established
16 by the commissioner. The bill amends the fee, based on the
17 aggregate amount of payments a licensee received for the sale
18 or issuance of residential service contracts in this state
19 during the preceding fiscal year, from 3 percent per contract
20 to a percentage established by the commissioner by rule, and
21 also removes the minimum and maximum dollar amount of fees
22 that a licensee is required to submit. In addition, the bill
23 amends the fee for each motor vehicle service contract form
24 submitted with an application from \$50 to a fee established by
25 the commissioner.

26 Code section 523C.24 (service company oversight fund) is
27 amended to allow the commissioner to establish the amount
28 deposited in the service company oversight fund from all
29 licensing, examination, renewal, and inspection fees collected
30 under Code chapter 523C. The bill also removes the current
31 \$500,000 maximum cap on fees that may be deposited in the fund
32 each fiscal year.

33 DIVISION V — RETIREMENT FACILITIES. Code section 523D.2A
34 is amended to change the administrative fee submitted by a
35 provider with its certification filing from \$100 to an amount

1 established by the commissioner.

2 DIVISION VI — IOWA CEMETERY ACT. Code section 523I.102
3 (definitions) is amended to exclude specific cemeteries, under
4 the jurisdiction and control of a cemetery commission that
5 has jurisdiction and control over pioneer cemeteries, from
6 the definition of "cemetery" for purposes of Code chapter
7 523I. Code section 523I.213 (insurance division's enforcement
8 fund) is amended to remove the cap on the allocation to the
9 insurance division's enforcement fund of examination fees paid
10 by perpetual cemeteries with their annual report. The bill
11 requires the commissioner to deposit all of the examination
12 fees in the enforcement fund.

13 Code section 523I.301 (disclosure requirements — prices
14 and fees) is amended to require cemeteries to disclose, prior
15 to the sale of interment rights, whether opening and closing
16 services are included in the purchase price. The bill also
17 requires cemeteries to disclose all fees associated with
18 disinterment services.

19 Code section 523I.309 (interment, relocation, or
20 disinterment of remains) is amended to require cemeteries
21 to disinter and relocate remains interred in a cemetery for
22 the purpose of correcting an error made by the cemetery,
23 unless the interested parties have a written agreement
24 directing otherwise. The cemetery must bear all costs of
25 the disinterment and relocation. Current law permits, but
26 does not require, a cemetery to disinter and relocate such
27 remains, and the cemetery is not required to bear the cost of
28 disinterment and relocation. The bill also allows cemeteries
29 to be held civilly and criminally liable for erroneously made
30 interments. Current law exempts cemeteries from civil and
31 criminal liability for erroneously made interments.

32 The bill amends Code section 523I.808 (examination fee) to
33 require an examination fee, established by the commissioner,
34 for each certificate of interment rights issued during the
35 period covered by a perpetual care cemetery's annual report.

1 Under current law, the fee is \$5 per certificate.

2 The bill amends Code section 523I.813 (annual report by
3 perpetual care cemeteries) to allow, rather than to require,
4 the commissioner to impose a late penalty on a perpetual care
5 cemetery that fails to timely file its annual report.

6 DIVISION VII — STATE INNOVATION WAIVER. The bill
7 authorizes the commissioner to develop by rule a state
8 innovation waiver (waiver) pursuant to section 1332 of the
9 federal Patient Protection and Affordable Care Act, Pub. L. No.
10 111-148, and to submit an application on behalf of the state
11 to the United States secretary of health and human services
12 and the United States secretary of the treasury (secretaries)
13 for the waiver. If a waiver is approved by the secretaries,
14 the commissioner is authorized to implement the waiver in a
15 manner consistent with applicable state and federal law. The
16 bill authorizes the commissioner to adopt emergency rules
17 to implement the waiver and the rules are to be effective
18 immediately upon filing unless a later date is specified in the
19 rules. Any rules that are adopted must also be published as a
20 notice of intended action.