

Senate State Court 2-21-89 (p.416a)
DO pass 3-21-89 (p.954)

FEB 8 1989

Place On Calendar

HOUSE FILE 256

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 110)

Passed House, Date 2-16-89 (p.486) Passed Senate, Date 4-10-89 (p.1269)
Vote: Ayes 89 Nays 0 Vote: Ayes 41 Nays 3
Approved 5-2-89 (p.2326)

A BILL FOR

1 An Act relating to the elimination of the risk management
2 division of the department of general services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 256

1 Section 1. Section 18.3, Code 1989, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. Determining which risk exposures
4 shall be self-insured or assumed by the state with respect to
5 loss and loss exposures of state government.

6 Sec. 2. Section 18.6, Code 1989, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 11. In carrying out the requirements of
9 section 64.6, the state may purchase an individual or a
10 blanket surety bond insuring the fidelity of state officers.
11 The department may self-assume or self-insure fidelity
12 exposures for state officials and employees. A state official
13 is deemed to have furnished surety if the official has been
14 covered by a program of insurance or self-insurance
15 established by the department. To the extent possible, all
16 bonded state employees shall be covered under one or more
17 blanket bonds or position schedule bonds.

18 Sec. 3. Section 18.12, Code 1989, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 14A. The management of state property
21 loss exposures and state liability risk exposures shall be
22 reviewed by the director for the capitol complex. Insurance
23 coverage may include self-insurance or any type of insurance
24 protection sold by insurers, including but not limited to,
25 full coverage, partial coverage, coinsurance, reinsurance, and
26 deductible insurance coverage.

27 Sec. 4. Section 18.115, Code 1989, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 10. The state vehicle dispatcher is
30 responsible for insuring motor vehicles owned by the state.
31 Insurance coverage may be through a self-insurance program
32 administered by the division or purchased from an insurer. If
33 the determination is made to utilize a self-insurance program
34 the vehicle dispatcher shall maintain loss and exposure data
35 for the vehicles under the dispatcher's jurisdiction. Each

1 agency shall provide to the division all requested motor
2 vehicle loss and loss exposure information.

3 Sec. 5. Section 64.6, Code 1989, is amended to read as
4 follows:

5 64.6 STATE OFFICERS -- BONDS.

6 State officials are not required to obtain bonds, but may
7 be covered under a blanket bond for state employees. The
8 blanket bond purchases shall be made in an amount and with the
9 level of assumption of risk by the state that is determined by
10 the ~~risk-management-division-of-the~~ department of general
11 services. The state shall pay the reasonable cost of bonds
12 under this section.

13 Sec. 6. Section 304A.21, subsection 3, Code 1989, is
14 amended to read as follows:

15 3. "~~Division Department~~" means the ~~division-of-risk~~
16 ~~management-of-the~~ department of general services.

17 Sec. 7. Section 304A.25, Code 1989, is amended to read as
18 follows:

19 304A.25 REVIEW AND DETERMINATION AS TO QUALIFICATION FOR
20 INDEMNITY COVERAGE.

21 1. Every application received by the administrator shall
22 be submitted to the department of general services which,
23 ~~through-its-division-of-risk-management,~~ shall review the
24 application and determine whether the applicant qualifies for
25 indemnity coverage under this division. The criteria for
26 qualification shall be prescribed by rule of the department of
27 general services and shall include but are not limited to:

28 a. Physical security of the applicant's exhibition
29 facilities and of the means of transportation of the items.

30 b. Experience and qualifications of the applicant's
31 director, curator, registrar or other staff.

32 c. Eligibility of the applicant's exhibition facilities
33 for commercial insurance coverage of art objects and artifacts
34 exhibited there.

35 d. Availability of proper equipment to protect art objects

1 and artifacts from damage from extremes of temperature or
2 humidity or exposure to glare, dust or corrosion.

3 2. The ~~division~~ department may consult with experts as
4 necessary to carry out its duties under this section.

5 3. If the ~~division-of-risk-management-of-the~~ department of
6 general services is not staffed for risk management, the
7 department shall utilize the services of a consultant in
8 carrying out the ~~division's~~ department's duties under this
9 chapter.

10 Sec. 8. Section 304A.29, subsection 1, Code 1989, is
11 amended to read as follows:

12 1. Claims for losses covered by indemnity agreements under
13 this division shall be submitted to the department of general
14 services which, ~~through-its-division-of-risk-management,~~ shall
15 review the claims. If the ~~division~~ department determines that
16 the loss is covered by the agreement, the ~~division~~ department
17 shall certify the validity of the claim and authorize payment
18 of the amount of loss, less any deductible portion, to the
19 lender.

20 Sec. 9. Section 507D.3, unnumbered paragraph 1, Code 1989,
21 is amended to read as follows:

22 The commissioner of insurance is authorized to institute
23 programs, order the institution of programs within the private
24 sector, or to contract with or delegate authority to the ~~risk~~
25 ~~management-division-of-the~~ department of general services for
26 the institution of programs relating to insurance assistance
27 including, but not limited to, the following:

28 Sec. 10. Sections 18.160 through 18.169, Code 1989, are
29 repealed.

30 EXPLANATION

31 The bill eliminates the risk management division of the
32 department of general services and risk management
33 responsibilities from the department of general services as it
34 relates to local government (section 10). Section 1 directs
35 the director of general services to use either self-insurance

1 programs or purchase insurance coverage from an insurer when
2 such insurance coverage is determined to be necessary.
3 Section 2 places the previous responsibility of providing
4 bonding for state officials and employees in the department as
5 a whole. Section 3 requires the director to review the risk
6 exposure of the capitol complex property and purchase
7 insurance if it is determined to be in the best interest of
8 the state. Section 4 places the responsibility of insuring
9 the state's motor vehicles with the vehicle dispatcher. This
10 was previously handled by the risk management division.
11 Sections 5 through 9 eliminate references to the risk
12 management division.

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STATE GOVERNMENT

HOUSE FILE 256
BY (PROPOSED DEPARTMENT OF
GENERAL SERVICES BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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19 following new subsection:

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30 b. Experience and qualifications of the applicant's
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2 humidity or exposure to glare, dust or corrosion.

3 2. The ~~division~~ department may consult with experts as
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12 management division.

13 BACKGROUND STATEMENT

14 SUBMITTED BY THE AGENCY

15 The bill repeals the risk management division and its
16 duties as related to local government and places its other
17 duties within existing divisions of the department. The
18 department has been unable to retain qualified individuals to
19 carry out the duties of the sections being repealed. Funding
20 has not been sufficient to provide the necessary staff to
21 carry out the responsibilities. Local governments are able to
22 acquire these services from other sources. The department
23 will continue to be responsible for the bonds of state
24 officials and employees, the insurance coverage of the state's
25 motor vehicles and the loss exposure and liability risk
26 exposure for the capitol complex property.

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HOUSE FILE 256

AN ACT
RELATING TO THE ELIMINATION OF THE RISK MANAGEMENT DIVISION
OF THE DEPARTMENT OF GENERAL SERVICES.

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

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 - d. Availability of proper equipment to protect art objects and artifacts from damage from extremes of temperature or humidity or exposure to glare, dust or corrosion.
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Sec. 10. Sections 18.160 through 18.169, Code 1989, are repealed.

.....
DONALD D. AVENSON
Speaker of the House

.....
JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 256, Seventy-third General Assembly.

.....
JOSEPH O'HERN
Chief Clerk of the House

Approved *May 2*, 1989

.....
TERRY E. BRANSTAD
Governor