

MAR 6 1997
COMMERCE AND REGULATION

HOUSE FILE 476
BY SCHRADER

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

A BILL FOR

1 An Act relating to the appointment of a consumer advocate on
2 insurance.

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

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HF 476

1 Section 1. NEW SECTION. 507F.1 CONSUMER ADVOCATE ON
2 INSURANCE -- APPOINTMENT -- POLITICAL ACTIVITY -- REMOVAL.

3 1. The attorney general shall appoint a competent attorney
4 to the office of consumer advocate on insurance. The
5 appointment is subject to senate confirmation, in accordance
6 with section 2.32. The advocate's term of office is for four
7 years. The term begins and ends as set forth in section
8 69.19.

9 2. If a vacancy occurs in the office of consumer advocate
10 on insurance, the vacancy shall be filled for the unexpired
11 term in the same manner as an original appointment.

12 3. The consumer advocate on insurance shall devote the
13 advocate's entire time to the duties of the office. During
14 the consumer advocate's term of office the advocate shall not
15 be a member of a political committee, shall not contribute to
16 a political campaign fund other than through the income tax
17 checkoff for contributions to the Iowa election campaign fund
18 and the presidential election campaign fund, and shall not
19 take part in political campaigns or be a candidate for a
20 political office.

21 4. The attorney general may remove the consumer advocate
22 for malfeasance or nonfeasance in office, or for any cause
23 which renders the advocate ineligible for appointment, or if
24 incapable or unfit to discharge the duties of the advocate's
25 office. The consumer advocate's removal, when so made, is
26 final.

27 Sec. 2. NEW SECTION. 507F.2 DUTIES.

28 The office of the consumer advocate on insurance shall:

29 1. Adopt rules pursuant to chapter 17A and perform other
30 duties necessary to the administration of this chapter.

31 2. Investigate the legality of all rates, charges, rules,
32 regulations, and practices of all persons under the
33 jurisdiction of the insurance division, and institute civil
34 proceedings before the division of insurance or any court to
35 correct any illegality on the part of any such person. In any

1 investigation, the person acting for the office of the
2 consumer advocate on insurance shall have the power to ask the
3 commissioner of insurance to issue subpoenas, compel the
4 attendance and testimony of witnesses, and the production of
5 papers, books, and documents.

6 3. Make recommendations to the general assembly regarding
7 insurance regulation.

8 4. Make recommendations to the insurance division or any
9 other governmental agency which has an impact on insurance
10 regulation in the state through rulemaking, and shall review
11 and, if the advocate deems it to be in the public interest,
12 appeal the rulemaking or contested case decisions of the
13 insurance division or any other governmental agency which has
14 an impact on insurance regulation in the state.

15 5. Represent the interests of the public relating to
16 insurance reform, coverage, and rates where action is
17 necessary for the protection of public rights.

18 6. Institute judicial review of final or interlocutory
19 actions of the insurance division if the review is deemed to
20 be in the public interest.

21 7. Act as attorney for and represent all consumers
22 generally and the public generally in all proceedings before
23 the insurance division, federal and state agencies, and
24 related judicial review proceedings and appeals.

25 8. Appear for all consumers generally and the public
26 generally in all actions instituted in any state or federal
27 court which involve the validity of a rule, regulation, or
28 order of the insurance division.

29 9. Appear and participate as a party in the name of the
30 office of consumer advocate on insurance in the performance of
31 the duties of the office.

32 Sec. 3. NEW SECTION. 507F.3 OFFICE -- EMPLOYEES --
33 EXPENSES.

34 1. The office of the consumer advocate on insurance shall
35 be located within the office of the attorney general.

1 Administrative support services shall be provided to the
2 consumer advocate by the office of the attorney general.

3 2. The consumer advocate on insurance may employ
4 attorneys, legal assistants, secretaries, clerks, and other
5 employees the consumer advocate finds necessary for the full
6 and efficient discharge of the duties and responsibilities of
7 the office. The consumer advocate on insurance may employ
8 consultants as expert witnesses or technical advisors pursuant
9 to contract as the consumer advocate finds necessary for the
10 full and efficient discharge of the duties of the office.
11 Employees of the consumer advocate, other than the consumer
12 advocate, are subject to merit employment, except as provided
13 in section 19A.3.

14 3. The salary of the consumer advocate on insurance shall
15 be fixed by the attorney general within the salary range set
16 by the general assembly. The salaries of employees of the
17 consumer advocate on insurance is as provided by law. The
18 appropriation for the office of consumer advocate on insurance
19 shall be a separate line item contained in the appropriation
20 from the general fund of the state to the department of
21 justice.

22 Sec. 4. NEW SECTION. 507F.4 INSURANCE DIVISION RECORDS.

23 The consumer advocate on insurance has free access to all
24 the files, records, and documents in the office of the
25 insurance division except:

26 1. Personal information in confidential personnel records
27 of the insurance division.

28 2. Records which represent and constitute the work product
29 of the general counsel of the insurance division where the
30 records relate to a proceeding before the division in which
31 the consumer advocate is a party or a proceeding in any state
32 or federal court in which both the division and the consumer
33 advocate are parties.

34 3. Insurer information of a confidential nature which
35 could jeopardize an insurer's competitive status and is

1 provided by an insurer to the division. However, such
2 information shall be provided to the consumer advocate by the
3 insurance division, if the division determines it to be in the
4 public interest.

5 Sec. 5. NEW SECTION. 507F.5 SERVICE.

6 The consumer advocate on insurance is entitled to service
7 of all documents required by statute or rule to be served on
8 parties in proceedings before the insurance division and all
9 notices, petitions, applications, complaints, answers,
10 motions, and other pleadings filed pursuant to statute or rule
11 with the division.

12 Sec. 6. NEW SECTION. 507F.6 CONSUMER ADVOCATE ON
13 INSURANCE ADVISORY COMMITTEE.

14 The attorney general shall appoint seven members to a
15 consumer advocate on insurance advisory committee to meet at
16 the request of the consumer advocate for consultation
17 regarding the protection of public rights in insurance
18 regulation. A member shall be appointed from each
19 congressional district with the appointee residing within the
20 district at the time of the appointment. The remaining
21 appointees shall be members at large. Members shall be
22 appointed which represent the various sectors of the
23 population and appointments shall be made in compliance with
24 section 69.16 and 69.16A. The members shall serve four-year
25 terms and their appointments are not subject to confirmation
26 by the senate. A vacancy shall be filled in the same manner
27 as the original appointment for the unexpired portion of the
28 member's term. Members of the committee shall serve without
29 compensation, but shall be reimbursed for actual expenses from
30 funds appropriated to the office of the consumer advocate on
31 insurance.

32 EXPLANATION

33 This bill establishes the position of consumer advocate on
34 insurance to be appointed by the attorney general and to be
35 located in the office of the attorney general. The bill

1 establishes the duties of the consumer advocate on insurance
2 and the terms of office of the consumer advocate, provides for
3 the employment of staff by the office of the consumer
4 advocate, and provides for the appointment of an advisory
5 committee to the consumer advocate on insurance.

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