

# House File 514 - Introduced

HOUSE FILE \_\_\_\_\_  
BY FORD

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:  
4 TLSB 2764HH 82  
5 av/gg/14

PAG LIN

1 1 Section 1. NEW SECTION. 507F.1 CONSUMER ADVOCATE ON  
1 2 INSURANCE == APPOINTMENT == POLITICAL ACTIVITY == REMOVAL.  
1 3 1. The attorney general shall appoint a competent attorney  
1 4 to the office of consumer advocate on insurance. The  
1 5 appointment is subject to senate confirmation in accordance  
1 6 with section 2.32. The advocate's term of office is for four  
1 7 years. The term begins and ends as set forth in section  
1 8 69.19.  
1 9 2. If a vacancy occurs in the office of consumer advocate  
1 10 on insurance, the vacancy shall be filled for the unexpired  
1 11 term in the same manner as an original appointment.  
1 12 3. The consumer advocate on insurance shall devote the  
1 13 advocate's entire time to the duties of the office. During  
1 14 the advocate's term of office the advocate shall not be a  
1 15 member of a political committee, shall not contribute to a  
1 16 political campaign fund other than through the income tax  
1 17 checkoff for contributions to the Iowa election campaign fund  
1 18 and the presidential election campaign fund, and shall not  
1 19 take part in political campaigns or be a candidate for a  
1 20 political office.  
1 21 4. The attorney general may remove the consumer advocate  
1 22 on insurance for malfeasance or nonfeasance in office, or for  
1 23 any cause which renders the advocate ineligible for  
1 24 appointment, or incapable or unfit to discharge the duties of  
1 25 the advocate's office. The advocate's removal, when so made,  
1 26 is final.  
1 27 Sec. 2. NEW SECTION. 507F.2 DUTIES.  
1 28 The office of the consumer advocate on insurance shall:  
1 29 1. Adopt rules pursuant to chapter 17A and perform other  
1 30 duties necessary to the administration of this chapter.  
1 31 2. Investigate the legality of all rates, charges, rules,  
1 32 regulations, and practices of all persons under the  
1 33 jurisdiction of the insurance division, and institute civil  
1 34 proceedings before the insurance division or any court to  
1 35 correct any illegality on the part of any person. In any  
2 1 investigation, the person acting for the office of the  
2 2 consumer advocate on insurance shall have the power to request  
2 3 the commissioner of insurance to issue subpoenas, compel the  
2 4 attendance and testimony of witnesses, and the production of  
2 5 papers, books, and documents.  
2 6 3. Make recommendations to the general assembly regarding  
2 7 insurance regulation.  
2 8 4. Make recommendations to the insurance division or any  
2 9 other governmental agency which has an impact on insurance  
2 10 regulation in the state through rulemaking and review and, if  
2 11 the advocate deems it to be in the public interest, appeal the  
2 12 rulemaking or contested case decisions of the insurance  
2 13 division or any other governmental agency which has an impact  
2 14 on insurance regulation in the state.  
2 15 5. Represent the interests of the public relating to  
2 16 insurance reform, coverage, and rates where action is  
2 17 necessary for the protection of public rights.  
2 18 6. Institute judicial review of final or interlocutory  
2 19 actions of the insurance division if the review is deemed to  
2 20 be in the public interest.

2 21 7. Act as attorney for and represent all consumers  
2 22 generally and the public generally in all proceedings before  
2 23 the insurance division, federal and state agencies, and  
2 24 related judicial review proceedings and appeals.  
2 25 8. Appear for all consumers generally and the public  
2 26 generally in all actions instituted in any state or federal  
2 27 court which involve the validity of a rule, regulation, or  
2 28 order of the insurance division.

2 29 9. Appear and participate as a party in the name of the  
2 30 office of consumer advocate on insurance in the performance of  
2 31 the duties of the office.

2 32 Sec. 3. NEW SECTION. 507F.3 OFFICE == EMPLOYEES ==  
2 33 EXPENSES.

2 34 1. The office of the consumer advocate on insurance shall  
2 35 be located within the office of the attorney general.

3 1 Administrative support services shall be provided to the  
3 2 consumer advocate by the office of the attorney general.

3 3 2. The consumer advocate on insurance may employ  
3 4 attorneys, legal assistants, secretaries, clerks, and other  
3 5 employees the consumer advocate on insurance finds necessary  
3 6 for the full and efficient discharge of the duties and  
3 7 responsibilities of the office. The consumer advocate on  
3 8 insurance may employ consultants as expert witnesses or  
3 9 technical advisors pursuant to contract as the advocate finds  
3 10 necessary for the full and efficient discharge of the duties  
3 11 of the office. Employees of the consumer advocate on  
3 12 insurance, other than the advocate, are subject to merit  
3 13 employment, except as provided in section 8A.412.

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

3 20 Sec. 4. NEW SECTION. 507F.4 INSURANCE DIVISION RECORDS.

3 21 The consumer advocate on insurance has free access to all  
3 22 the files, records, and documents in the office of the  
3 23 insurance division except:

3 24 1. Personal information in confidential personnel records  
3 25 of the insurance division.

3 26 2. Records which represent and constitute the work product  
3 27 of the general counsel of the insurance division where the  
3 28 records relate to a proceeding before the division in which  
3 29 the consumer advocate on insurance is a party or a proceeding  
3 30 in any state or federal court in which both the division and  
3 31 the consumer advocate on insurance are parties.

3 32 3. Insurer information of a confidential nature which  
3 33 could jeopardize an insurer's competitive status and is  
3 34 provided by an insurer to the division. However, such  
3 35 information shall be provided to the consumer advocate on  
4 1 insurance by the insurance division, if the division  
4 2 determines it to be in the public interest.

4 3 Sec. 5. NEW SECTION. 507F.5 SERVICE.

4 4 The consumer advocate on insurance is entitled to receive  
4 5 service of all documents required by statute or rule to be  
4 6 served on parties in proceedings before the insurance division  
4 7 and all notices, petitions, applications, complaints, answers,  
4 8 motions, and other pleadings filed pursuant to statute or rule  
4 9 with the division.

4 10 Sec. 6. NEW SECTION. 507F.6 CONSUMER ADVOCATE ON  
4 11 INSURANCE ADVISORY COMMITTEE.

4 12 The attorney general shall appoint seven members to a  
4 13 consumer advocate on insurance advisory committee to meet at  
4 14 the request of the consumer advocate on insurance for  
4 15 consultation regarding the protection of public rights in  
4 16 insurance regulation. A member shall be appointed from each  
4 17 congressional district with the appointee residing within the  
4 18 district at the time of the appointment. The remaining  
4 19 appointees shall be members at large. Members who represent  
4 20 various sectors of the general public shall be appointed and  
4 21 appointments shall be made in compliance with sections 69.16  
4 22 and 69.16A. The members shall serve four-year terms and their  
4 23 appointments are not subject to confirmation by the senate. A  
4 24 vacancy shall be filled in the same manner as the original  
4 25 appointment for the unexpired portion of the member's term.  
4 26 Members of the committee shall serve without compensation, but  
4 27 shall be reimbursed for actual expenses from funds  
4 28 appropriated to the office of the consumer advocate on  
4 29 insurance.

4 30 EXPLANATION

4 31 This bill establishes the position of consumer advocate on

4 32 insurance to be appointed by the attorney general and to be  
4 33 located in the office of the attorney general. The bill  
4 34 establishes the duties of the consumer advocate on insurance  
4 35 and the terms of office of the consumer advocate, provides for  
5 1 the employment of staff by the office of the consumer  
5 2 advocate, and provides for the appointment of an advisory  
5 3 committee to the consumer advocate on insurance.  
5 4 LSB 2764HH 82  
5 5 av:rj/gg/14