

House Study Bill 755

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON SWAIM)

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

A BILL FOR

1 An Act establishing the office of consumer advocate on insurance.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 6527YC 82
4 av/rj/14

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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 6527YC 82
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