

House File 502 - Introduced

HOUSE FILE 502
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 119)

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 Notwithstanding any other provision of [this chapter](#), the registration of the agent shall be effective until withdrawn by the issuer or until the securities registered pursuant to the registration statement have all been sold, whichever occurs first.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.2A, subsection 2, Code 2021, is amended
2 to read as follows:

3 2. "Insurer" includes an insurer means any corporation,
4 association, partnership, or individual engaged in the business
5 of insurance, including but not limited to a corporation,
6 association, partnership, or individual that issues a policy
7 of workers' compensation, a self-insured business for purposes
8 of workers' compensation liability, or a group or self-insured
9 plan as described in section 87.4. "Insurer" does not include
10 a person required to be licensed to sell, solicit, or negotiate
11 insurance pursuant to chapter 522B.

12 Sec. 9. Section 507E.8, Code 2021, is amended to read as
13 follows:

14 **507E.8 Law enforcement authority.**

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

19 a. For purposes of an arrest resulting from a criminal
20 violation of any provision of the Code subject to the
21 jurisdiction of the commissioner established as a result of
22 an investigation pursuant to **this chapter**, ~~an insurance fraud~~
23 ~~bureau investigator shall have the authority and status of a~~
24 ~~law enforcement officer pursuant to section 80B.3, subsection~~
25 3.

26 b. While conducting an investigation or engaged in an
27 assignment authorized by this chapter or ordered by the
28 commissioner.

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

31 d. While providing assistance to a law enforcement agency or
32 another law enforcement officer.

33 e. While providing assistance at the request of a member of
34 the public.

35 2. ~~The laws~~ Laws applicable to an arrest of an individual

1 by a law enforcement officer of the state shall apply to an
2 ~~insurance fraud bureau investigator~~ individual employed by
3 the division and designated as a peace officer. An ~~insurance~~
4 ~~fraud bureau investigator~~ individual employed by the division
5 and designated as a peace officer shall have the power to
6 execute arrest warrants and search warrants, serve subpoenas
7 issued for the examination, investigation, and trial of all
8 offenses identified through the course of an investigation
9 conducted pursuant to [this section](#), and arrest upon probable
10 cause without warrant a person found in the act of committing
11 a violation of a ~~provision of~~ [this chapter](#) or a law of this
12 state.

13 Sec. 10. Section 508E.2, subsection 14, Code 2021, is
14 amended to read as follows:

15 14. "*Viatical settlement broker*" means a person, including
16 a life insurance producer ~~as provided for in~~ [section 508E.3](#),
17 who, working exclusively on behalf of a viator and for a fee,
18 commission, or other valuable consideration, offers or attempts
19 to negotiate viatical settlement contracts between a viator
20 and one or more viatical settlement providers or one or more
21 viatical settlement brokers. Notwithstanding the manner in
22 which the viatical settlement broker is compensated, a viatical
23 settlement broker is deemed to represent only the viator,
24 and not the insurer or the viatical settlement provider, and
25 owes a fiduciary duty to the viator to act according to the
26 viator's instructions and in the best interest of the viator.
27 "*Viatical settlement broker*" does not include an attorney,
28 certified public accountant, or a financial planner accredited
29 by a nationally recognized accreditation agency who is retained
30 to represent the viator and whose compensation is not paid
31 directly or indirectly by the viatical settlement provider or
32 purchaser.

33 Sec. 11. Section 508E.3, subsections 2 and 3, Code 2021, are
34 amended to read as follows:

35 2. An application for a viatical settlement provider

1 or viatical settlement broker license shall be made to the
2 commissioner by the applicant on a form prescribed by the
3 commissioner, and the application shall be accompanied by a
4 ~~fee of not more than one hundred dollars~~ as provided by rules
5 adopted by the commissioner.

6 3. A viatical settlement provider or viatical settlement
7 broker license term shall be three years and the license
8 may be renewed upon payment of a renewal fee ~~of not more~~
9 ~~than one hundred dollars~~ as provided by rules adopted by the
10 commissioner. A failure to pay the fee by the renewal date
11 shall result in expiration of the license.

12 Sec. 12. Section 509.1, subsection 9, Code 2021, is amended
13 to read as follows:

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

18 Sec. 13. Section 509.19, subsection 2, paragraph d, Code
19 2021, is amended to read as follows:

20 d. A multiple employer welfare arrangement, as defined
21 in section 3 of the federal Employee Retirement Income
22 Security Act of 1974, 29 U.S.C. §1002(40), paragraph 40,
23 or a multiple employer welfare arrangement formed as an
24 association health plan pursuant to 29 C.F.R. pt. 2510,
25 that meets the requirements of ~~section 507A.4, subsection 9,~~
26 ~~paragraph "a"~~ chapter 513D.

27 Sec. 14. Section 509A.15, subsection 1, paragraph a,
28 unnumbered paragraph 1, Code 2021, is amended to read as
29 follows:

30 Within ninety calendar days following the end of a fiscal
31 year, the governing body of a self-insurance plan of a
32 political subdivision or a school corporation shall file with
33 the commissioner of insurance a certificate of compliance,
34 actuarial opinion, and an annual financial report. The
35 filing shall be accompanied by a fee ~~of one hundred dollars~~

1 established by the commissioner by rule. A penalty of fifteen
2 dollars per day late fee established by the commissioner
3 by rule shall be assessed for failure to comply with the
4 ninety-day ninety-calendar-day filing requirement, except that
5 the commissioner may waive the penalty late fee upon a showing
6 that special circumstances exist which justify the waiver. The
7 certificate shall be signed and dated by the appropriate public
8 official representing the governing body, and shall certify the
9 following:

10 Sec. 15. Section 510.21, Code 2021, is amended to read as
11 follows:

12 **510.21 ~~Certificate of registration required~~ Certificates —**
13 **registration and renewal.**

14 A person shall not act as or represent oneself to be a
15 third-party administrator in this state, other than an adjuster
16 licensed in this state for the kinds of business for which
17 the person is acting as a third-party administrator, unless
18 the person holds a current certificate of registration as
19 a third-party administrator issued by the commissioner of
20 insurance. A certificate of registration as a third-party
21 administrator ~~is renewable~~ shall be renewed every three
22 years. Failure to hold a current certificate ~~subjects the~~
23 of registration shall subject a third-party administrator to
24 the sanctions set out in [section 507B.7](#). ~~The~~ An application
25 for a certificate of registration shall be accompanied by a
26 filing fee as established by the commissioner by rule. A
27 certificate of registration shall be issued by the commissioner
28 to a third-party administrator unless the commissioner,
29 ~~after due notice and hearing,~~ determines that the third-party
30 administrator is not competent, trustworthy, financially
31 responsible, ~~or~~ of good personal and business reputation, or
32 has had a ~~previous~~ an application for an insurance license
33 denied for cause within the preceding five years.

34 ~~An application for registration shall be accompanied by a~~
35 ~~filing fee of one hundred dollars. After notice and hearing,~~

1 ~~the commissioner may impose any or all of the sanctions set out~~
2 ~~in section 507B.7, upon finding that either the third party~~
3 ~~administrator violated any of the requirements of sections~~
4 ~~510.12 through 510.20 and this section, or the third party~~
5 ~~administrator is not competent, trustworthy, financially~~
6 ~~responsible, or of good personal and business reputation.~~
7 If the commissioner denies an application for registration
8 or renewal, a written notice that specifies the reasons for
9 the denial or nonrenewal shall be provided to the applicant.
10 Pursuant to chapter 17A, upon the applicant's request, the
11 commissioner shall grant the applicant a hearing on the denial
12 or nonrenewal.

13 Sec. 16. Section 510.23, Code 2021, is amended by striking
14 the section and inserting in lieu thereof the following:

15 **510.23 Violations and penalties.**

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

20 2. If, after hearing, the commissioner determines that a
21 person has aided and abetted a third-party administrator in
22 commission of a violation of this chapter, or chapter 507B,
23 the commissioner may order any one or more of the sanctions or
24 penalties set out in section 507B.7.

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

30 Sec. 17. Section 511.24, Code 2021, is amended to read as
31 follows:

32 **511.24 ~~Fees from domestic~~ Domestic and foreign companies —**
33 **fees.**

34 When not otherwise provided, a foreign or domestic life
35 insurance company doing business in this state shall pay ~~to the~~

1 ~~commissioner of insurance the following fees a fee, established~~
2 by the commissioner by rule, for all of the following:

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

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

7 3. For filing amended articles of incorporation, ~~fifty~~
8 ~~dollars.~~

9 4. For issuing an amended certificate of authority,
10 ~~twenty-five dollars.~~

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

13 Sec. 18. Section 512B.24, Code 2021, is amended to read as
14 follows:

15 **512B.24 Reports Annual statement.**

16 ~~Reports shall be filed in accordance with [this section.](#)~~

17 1. A society transacting business in this state shall, on or
18 before March 1 annually, unless for cause shown the time has
19 been extended by the commissioner, shall annually file with the
20 commissioner a true statement of ~~its~~ the society's financial
21 condition, transactions, and affairs for the preceding calendar
22 year and shall pay a fee ~~of fifty dollars~~ established by the
23 commissioner by rule. The statement may be in general form and
24 content as approved by the national association of insurance
25 commissioners for fraternal benefit societies and shall be
26 supplemented by additional information as adopted by rule of
27 the commissioner.

28 2. As part of ~~the~~ a society's annual statement, a the
29 society shall, on or before March 1, file with the commissioner
30 ~~of insurance~~ a valuation of ~~its~~ the society's certificates
31 in force on the ~~last~~ preceding December 31. However, the
32 commissioner may, for cause shown, extend the time for filing
33 the valuation for not more than two consecutive calendar
34 months. The valuation shall be ~~done~~ completed in accordance
35 compliance with ~~the standards specified in~~ [section 512B.23](#).

1 The valuation and underlying data shall be certified by a
2 qualified actuary or, at the expense of the society, verified
3 by the actuary of the department of insurance of the state of
4 domicile of the society.

5 3. A society failing to file the society's annual statement
6 ~~in the form and within the time provided by compliance with~~
7 this section shall forfeit one hundred dollars for each day
8 during which the default continues, and, upon notice by the
9 commissioner ~~to that effect~~, the society's authority to do
10 business in this state shall cease while during the duration of
11 the default ~~continues~~.

12 Sec. 19. Section 512B.25, Code 2021, is amended to read as
13 follows:

14 **512B.25 Annual license — renewal.**

15 ~~The authority of a society to transact business in this~~
16 ~~state may be renewed annually. A society's license terminates~~
17 to transact business in this state shall terminate on the
18 first day of June following the issuance or the renewal of
19 the society's license. A society shall submit annually on
20 or before March 1 a completed application for renewal of its
21 license. For each license or renewal the society shall pay
22 the commissioner a fee ~~of fifty dollars~~ established by the
23 commissioner by rule. A society that fails to timely file an
24 application for renewal shall pay ~~an administrative penalty~~
25 ~~of five hundred dollars to the treasurer of state for deposit~~
26 ~~as provided in section 505.7~~ a late fee as established by the
27 commissioner by rule. A duly certified copy or duplicate
28 of ~~the a society's~~ a society's license is prima facie evidence that the
29 licensee is a fraternal benefit society within the meaning of
30 this chapter.

31 Sec. 20. Section 513D.1, Code 2021, is amended by striking
32 the section and inserting in lieu thereof the following:

33 **513D.1 Multiple employer welfare arrangements and association**
34 **health plans.**

35 1. As used in this chapter, unless the context otherwise

1 requires:

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

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

6 *c.* "Multiple employer welfare arrangement" or "MEWA" means a
7 multiple employer welfare arrangement as defined in section 3
8 of the federal Employee Retirement Income Security Act of 1974,
9 29 U.S.C. §1002, paragraph 40.

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

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

18 *b.* The AHP or MEWA must be established by a trade,
19 industry, or professional association of employers that has a
20 constitution or bylaws, is organized and maintained in good
21 faith, and has membership stability as defined by rules adopted
22 by the commissioner.

23 *c.* The AHP or MEWA must register with the commissioner and
24 obtain and maintain a certificate of registration issued by the
25 commissioner.

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

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

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

33 *a.* An insurance company or association of whatever kind or
34 character under section 432.1.

35 *b.* A member of the Iowa individual health benefit

1 reinsurance association pursuant to section 513C.10, subsection
2 1.

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

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

10 6. An AHP or MEWA that is registered with the commissioner
11 pursuant to subsection 2, paragraph "c", shall annually file
12 with the commissioner a report on or before March 1 for the
13 preceding calendar year. The annual report shall contain the
14 information and be in a form and manner as prescribed by the
15 commissioner.

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

19 8. A MEWA that is recognized as tax-exempt under Internal
20 Revenue Code section 501(c)(9) and that is registered with the
21 commissioner prior to January 1, 2018, shall not be considered
22 an AHP unless the MEWA affirmatively elects to be treated as
23 an AHP.

24 Sec. 21. Section 513D.2, subsection 1, Code 2021, is amended
25 to read as follows:

26 1. The commissioner of insurance shall adopt rules, as
27 necessary, pursuant to [chapter 17A](#) to administer [this chapter](#).

28 Sec. 22. Section 514G.103, subsection 10, Code 2021, is
29 amended to read as follows:

30 10. "*Independent review entity organization*" means a review
31 entity organization certified by the commissioner pursuant to
32 section 514G.110, subsection 4.

33 Sec. 23. Section 514G.110, subsections 4, 5, 6, 7, 8, and 9,
34 Code 2021, are amended to read as follows:

35 4. *Qualifications of independent review entities*

1 organizations. The commissioner shall maintain a list of
2 qualified independent review ~~entities~~ organizations that are
3 certified by the commissioner. Independent review ~~entities~~
4 organizations shall be recertified by the commissioner every
5 two years in order to remain on the list. In order to be
6 certified, an independent review ~~entity~~ organization shall meet
7 all of the following criteria:

8 *a.* Have on staff, or contract with, a qualified, licensed
9 health care professional in an appropriate field for
10 determining an insured's functional or cognitive impairment who
11 can conduct an independent review.

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

17 (2) In order to be qualified, a licensed health care
18 professional who is not a physician shall hold a current
19 certification in the specialty in which that person is
20 licensed, by a recognized American specialty board in a
21 specialty appropriate for determining an insured's functional
22 or cognitive impairment.

23 *b.* Ensure that any licensed health care professional who
24 conducts an independent review has no history of disciplinary
25 actions or sanctions, including but not limited to the loss
26 of staff privileges or any participation restrictions taken
27 or pending by any hospital or state or federal government
28 regulatory agency.

29 *c.* Ensure that the independent review ~~entity~~ organization
30 or any of its employees, agents, or licensed health care
31 professionals utilized does not receive compensation of any
32 type that is dependent on the outcome of a review.

33 *d.* Ensure that the independent review ~~entity~~ organization
34 or any of its employees, agents, or licensed health care
35 professionals utilized are not in any manner related to,

1 employed by, or affiliated with the insured or with a person
2 who previously provided medical care to the insured.

3 e. Ensure that an independent review entity organization
4 or any of its employees, agents, or licensed health care
5 professionals utilized is not a subsidiary of, or owned or
6 controlled by, an insurer or by a trade association of insurers
7 of which the insurer is a member.

8 f. Have a quality assurance program on file with the
9 commissioner that ensures the timeliness and quality of reviews
10 performed, the qualifications and independence of the licensed
11 health care professionals who perform the reviews, and the
12 confidentiality of the review process.

13 g. Have on staff or contract with a licensed health care
14 practitioner, as defined in [section 514G.103, subsection 3](#), who
15 is qualified to certify that an individual is chronically ill
16 for purposes of a qualified long-term care insurance contract.

17 5. *Independent review process.* The independent review
18 process shall be conducted as follows:

19 a. Within three business days of receiving a notice from the
20 commissioner of the certification of a request for independent
21 review or receipt of a denial of an insurer's appeal from such
22 a certification, the insurer shall do all of the following:

23 (1) Select an independent review entity organization from
24 the list certified by the commissioner and notify the insured
25 in writing of the name, address, and telephone number of the
26 selected independent review ~~entity-selected~~ organization. The
27 selected independent review ~~entity-selected~~ organization shall
28 utilize a licensed health care professional with qualifications
29 appropriate to the benefit trigger determination that is under
30 review.

31 (2) Notify the independent review entity organization
32 that it has been selected to conduct an independent review
33 of a benefit trigger determination and provide sufficient
34 descriptive information to enable the independent review entity
35 organization to provide licensed health care professionals who

1 will be qualified to conduct the review.

2 (3) Provide the commissioner with a copy of the notices sent
3 to the insured and to the selected independent review entity
4 selected organization.

5 b. Within three business days of receiving a notice from
6 an insurer that it has been selected to conduct an independent
7 review, the independent review entity organization shall do one
8 of the following:

9 (1) Accept its selection as the independent review entity
10 organization, designate a qualified licensed health care
11 professional to perform the independent review, and provide
12 notice of that designation to the insured and the insurer,
13 including a brief description of the health care professional's
14 qualifications and the reasons that person is qualified to
15 determine whether the insured's benefit trigger has been met.
16 A copy of this notice shall be sent to the commissioner via
17 facsimile. The independent review entity organization is not
18 required to disclose the name of the health care professional
19 selected.

20 (2) Decline its selection as the independent review entity
21 organization or, if the independent review entity organization
22 does not have a licensed health care professional who is
23 qualified to conduct the independent review available, request
24 additional time from the commissioner to have a qualified
25 licensed health care professional certified, and provide
26 notice to the insured, the insurer, and the commissioner.
27 The commissioner shall notify the independent review entity
28 organization, the insured, and the insurer of how to proceed
29 within three business days of receipt of such notice from the
30 independent review entity organization.

31 c. An insured may object to the independent review entity
32 organization selected by the insurer or to the licensed
33 health care professional designated by the independent review
34 entity organization to conduct the review by filing a notice
35 of objection along with reasons for the objection, with the

1 commissioner within ten days of receipt of a notice sent by the
2 independent review entity organization pursuant to paragraph
3 "b". The commissioner shall consider the insured's objection
4 and shall notify the insured, the insurer, and the independent
5 review entity organization of the commissioner's decision to
6 sustain or deny the objection within two business days of
7 receipt of the objection.

8 *d.* Within five business days of receiving a notice from
9 the independent review entity organization accepting its
10 selection or within five business days of receiving a denial
11 of an objection to the independent review entity organization
12 selected, whichever is later, the insured may submit any
13 information or documentation in support of the insured's claim
14 to both the independent review entity organization and the
15 insurer.

16 *e.* Within fifteen days of receiving a notice from the
17 independent review entity organization accepting its selection
18 or within three business days of receipt of a denial of
19 an objection to the independent review entity organization
20 selected, whichever is later, an insurer shall do all of the
21 following:

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

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

29 (3) Provide the insured and the commissioner with
30 confirmation that the information required under subparagraphs
31 (1) and (2) has been provided to the independent review entity
32 organization, including the date the information was provided.

33 *f.* The independent review entity organization shall not
34 commence its review until fifteen days after the selection of
35 the independent review entity organization is final including

1 the resolution of any objection made pursuant to paragraph
2 "c". During this time period, the insurer may consider any
3 information provided by the insured pursuant to paragraph
4 "d" and overturn or affirm the insurer's benefit trigger
5 determination based on such information. If the insurer
6 overturns its benefit trigger determination, the independent
7 review process shall immediately cease.

8 *g.* In conducting a review, the independent review
9 entity organization shall consider only the information
10 and documentation provided to the independent review entity
11 organization pursuant to paragraphs "d" and "e".

12 *h.* The independent review entity organization shall submit
13 its decision as soon as possible, but not later than thirty
14 days from the date the independent review entity organization
15 receives the information required under paragraphs "d" and "e",
16 whichever is received later. The decision shall include a
17 description of the basis for the decision and the date of the
18 benefit trigger determination to which the decision relates.
19 The independent review entity organization, for good cause,
20 may request an extension of time from the commissioner to file
21 its decision. A copy of the decision shall be mailed to the
22 insured, the insurer, and the commissioner.

23 *i.* All medical records submitted for use by the independent
24 review entity organization shall be maintained as confidential
25 records as required by applicable state and federal laws. The
26 commissioner shall keep all information obtained during the
27 independent review process confidential pursuant to section
28 505.8, subsection 8, except that the commissioner may share
29 some information obtained as provided under section 505.8,
30 subsection 8, and as required by [this chapter](#) and rules adopted
31 pursuant to [this chapter](#).

32 *j.* If an insured dies before completion of the independent
33 review, the review shall continue to completion if there
34 is potential liability of an insurer to the estate of the
35 insured or to a provider for rendering qualified long-term care

1 services to the insured.

2 6. *Costs.* All reasonable fees and costs of the independent
3 review ~~entity incurred~~ organization in conducting an
4 independent review under [this section](#) shall be paid by the
5 insurer.

6 7. *Immunity.* An independent review ~~entity~~ organization that
7 conducts a review under [this section](#) is not liable for damages
8 arising from determinations made during the review. Immunity
9 does not apply to any act or omission made by an independent
10 review ~~entity~~ organization in bad faith or that involves gross
11 negligence.

12 8. *Effect of independent review decision.*

13 a. The review decision by the independent review ~~entity~~
14 organization conducting the review is binding on the insurer.

15 b. The independent review process set forth in [this section](#)
16 shall not be considered a contested case under [chapter 17A](#).

17 c. An insured may appeal the review decision by the
18 independent review ~~entity~~ organization conducting the review
19 by filing a petition for judicial review in the district court
20 in the county in which the insured resides. The petition for
21 judicial review shall be filed within fifteen business days
22 after the issuance of the review decision by the independent
23 review organization. The petition shall name the insured
24 as the petitioner and the insurer as the respondent. The
25 petitioner shall not name the independent review ~~entity~~
26 organization as a party. The commissioner shall not be named
27 as a respondent unless the insured alleges action or inaction
28 by the commissioner under the standards articulated under
29 [section 17A.19, subsection 10](#). Allegations made against the
30 commissioner under [section 17A.19, subsection 10](#), must be
31 stated with particularity. The commissioner may, upon motion,
32 intervene in a judicial review proceeding brought pursuant to
33 this paragraph. The findings of fact by the independent review
34 ~~entity~~ organization conducting the review are conclusive and
35 binding on appeal.

1 *d.* An insurer shall not be subject to any penalties,
2 sanctions, or damages for complying in good faith with a review
3 decision rendered by an independent review entity organization
4 pursuant to [this section](#).

5 *e.* Nothing contained in [this section](#) or in [section 514G.109](#)
6 shall be construed to limit the right of an insurer to assert
7 any rights an insurer may have under a long-term care insurance
8 policy related to:

9 (1) An insured's misrepresentation.

10 (2) Changes in the insured's benefit eligibility.

11 (3) Terms, conditions, and exclusions contained in the
12 policy, other than failure to meet the benefit trigger.

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

17 *g.* The provisions of [this section](#) and [section 514G.109](#)
18 are in lieu of and supersede any other third-party review
19 requirement contained in [chapter 514J](#) or in any other provision
20 of law.

21 *h.* The insured may bring an action in the district court
22 in the county in which the insured resides to enforce the
23 review decision of the independent review entity organization
24 conducting the review or the decision of the court on appeal.

25 9. *Receipt of notice.* Notice required by [this section](#) shall
26 be deemed received within five days after the date of mailing.

27 Sec. 24. Section 515.147, Code 2021, is amended to read as
28 follows:

29 **515.147 Fees.**

30 Fees, established by the commissioner of insurance by rule,
31 shall be paid to the commissioner of insurance for deposit as
32 provided in [section 505.7](#) ~~as follows~~ for all of the following:

33 1. For filing an application to do business, including all
34 documents submitted in connection with the application, by a
35 foreign or domestic company, or for filing an application for

1 renewed authority, ~~fifty dollars.~~

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

5 3. For filing amended articles of incorporation, ~~fifty~~
6 ~~dollars.~~

7 4. For issuing an amended certificate of authority,
8 ~~twenty-five dollars.~~

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

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

13 NEW PARAGRAPH. *0a.* "Commissioner" means the commissioner
14 of insurance.

15 Sec. 26. Section 515A.6, subsection 1, paragraph c, Code
16 2021, is amended to read as follows:

17 *c.* Licenses issued pursuant to [this section](#) shall remain
18 in effect for three years unless sooner suspended or revoked
19 by the commissioner. The ~~fee for the license~~ fee shall be ~~one~~
20 ~~hundred dollars~~ established by the commissioner by rule.

21 Sec. 27. Section 515A.6, subsection 7, Code 2021, is amended
22 to read as follows:

23 7. Notwithstanding any ~~other provision of the Code law to~~
24 the contrary, the commissioner of ~~insurance~~ shall provide for
25 a hearing in a proceeding involving a workers' compensation
26 insurance rate filing by a licensed rating organization
27 in accordance with the provisions of [this subsection](#) and
28 rules promulgated by the commissioner of ~~insurance~~ pursuant
29 to [chapter 17A](#). Except as otherwise provided herein, the
30 provisions of [this subsection](#) shall not be subject to the
31 requirements of [chapter 17A](#). The procedures for such hearing
32 shall be as follows:

33 *a.* The commissioner shall provide notice of the filing of
34 the proposed rates at least thirty days before the effective
35 date of the proposed rates by publishing a notice on the

1 internet site of the insurance division of the department of
2 commerce.

3 *b.* A public hearing shall be held on the proposed rates by
4 the commissioner ~~of insurance~~ if within fifteen days of the
5 date of publication a workers' compensation policyholder or an
6 established organization with one or more workers' compensation
7 policyholders among its members files a written demand with the
8 commissioner ~~of insurance~~ for a hearing on the proposed rates.

9 *c.* The commissioner ~~of insurance~~ shall hold the hearing
10 within twenty days after receipt of the written demand for a
11 hearing and shall give not less than ten days written notice of
12 the time and place of the hearing to the person or association
13 filing the demand, to the rating organization, and to any other
14 person requesting such notice.

15 *d.* At any such hearing, the rating organization shall
16 bear the burden of proof to support the proposed rates by a
17 preponderance of the evidence. The person or association
18 requesting the hearing, and any other person admitted as a
19 party to the proceeding, shall be given the opportunity to
20 respond and introduce evidence and arguments on all the issues
21 involved.

22 *e.* Within fifteen days after the start of the hearing, the
23 commissioner ~~of insurance will~~ shall approve or disapprove
24 the proposed rates and specify the reasons therefor. The
25 commissioner ~~of insurance~~ may suspend or postpone the effective
26 date of the proposed rates pending the hearing and written
27 decision thereon.

28 *f.* Judicial review of the decision of the commissioner ~~of~~
29 ~~insurance~~ on such rates may be sought in accordance with the
30 provisions of [chapter 17A](#).

31 *g.* Absent a request for a hearing as provided in paragraph
32 "b", the commissioner shall issue an order approving or
33 disapproving the proposed rates.

34 *h.* The waiting period for a workers' compensation insurance
35 rate filing shall commence no earlier than the date that notice

1 of the insurance rate filing is published.

2 Sec. 28. Section 515A.10, Code 2021, is amended to read as
3 follows:

4 **515A.10 Advisory organizations.**

5 1. Every group, association or other organization of
6 insurers, whether located within or outside of this state,
7 which assists insurers which make their own filings or rating
8 organizations in rate making, by the collection and furnishing
9 of loss or expense statistics, or by the submission of
10 recommendations, but which does not make filings under this
11 chapter, shall be known as an advisory organization.

12 2. An advisory organization shall not provide a service
13 relating to this chapter, and an insurer shall not utilize
14 the services of an advisory organization for such purposes
15 unless the advisory organization has obtained a license under
16 subsection 3.

17 ~~2.~~ 3. Every An advisory organization applying for a license
18 shall file include with its application to the commissioner all
19 of the following:

20 a. A copy of its constitution, its articles of agreement
21 or association or its certificate of incorporation and of its
22 bylaws, rules and regulations governing its activities.

23 b. A list of its members.

24 c. The name and address of a resident of this state upon
25 whom notices or orders of the commissioner or process issued at
26 the commissioner's direction may be served.

27 d. An agreement that the commissioner may examine such
28 advisory organization in accordance with the provisions of
29 section 515A.12.

30 e. A fee established by the commissioner by rule.

31 ~~3.~~ 4. If, after a hearing, the commissioner finds that
32 the furnishing of such information or assistance involves an
33 advisory organization has engaged in any act or practice which
34 is unfair, or unreasonable, or otherwise inconsistent with the
35 provisions in violation of this chapter, the commissioner may

1 ~~issue a written an order specifying in what respects such act~~
2 ~~or practice is unfair or unreasonable or otherwise inconsistent~~
3 ~~with the provisions of this chapter,~~ and requiring the
4 ~~discontinuance of such act or practice~~ advisory organization to
5 cease and desist such act or practice. The commissioner may,
6 at any time after hearing, revoke or suspend the license of an
7 advisory organization which does not comply with this chapter.

8 ~~4.~~ 5. No insurer which makes its own filings nor any rating
9 organization shall support its filings by statistics or adopt
10 rate making recommendations, furnished to it by an advisory
11 organization which has not complied with this section or with
12 an order of the commissioner involving such statistics or
13 recommendations issued under subsection ~~3~~ 4 of this section.

14 If the commissioner finds such insurer or rating organization
15 to be in violation of this subsection the commissioner may
16 issue an order requiring the discontinuance of such violation.

17 6. A license issued under this section shall remain in
18 effect for three years unless sooner suspended or revoked by
19 the commissioner.

20 Sec. 29. Section 515D.4, subsection 2, paragraph a, Code
21 2021, is amended to read as follows:

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

28 (1) The term of the policy.

29 (2) The term of a renewal policy.

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

32 Sec. 30. Section 515D.4, subsection 3, Code 2021, is amended
33 to read as follows:

34 3. This section shall not apply to any policy or coverage
35 which has been in effect less than sixty calendar days at the

1 time notice of cancellation is mailed or delivered by the
2 insurer unless it is a renewal policy. [This section](#) shall not
3 apply to the nonrenewal of a policy.

4 Sec. 31. Section 515D.5, Code 2021, is amended to read as
5 follows:

6 **515D.5 Delivery of notice.**

7 1. *a.* Notwithstanding the provisions of [section 515.129A](#),
8 a notice of cancellation of a policy shall not be effective
9 unless mailed or delivered by the insurer to the named insured
10 at least thirty calendar days prior to the effective date of
11 cancellation, or, where the cancellation is for nonpayment of
12 premium notwithstanding the provisions of [section 515.129A](#),
13 at least ten calendar days prior to the date of cancellation.
14 A post office department certificate of mailing to the named
15 insured at the address shown in the policy shall be proof
16 of receipt of such mailing. Unless the reason accompanies
17 the notice of cancellation, the notice shall state that upon
18 written request of the named insured, mailed or delivered to
19 the insurer not less than fifteen calendar days prior to the
20 date of cancellation, the insurer will state the reason for
21 cancellation together with notification of the right to a
22 hearing before the commissioner within fifteen calendar days as
23 provided in [this chapter](#).

24 *b.* When the reason does not accompany the notice of
25 cancellation, the insurer shall, upon receipt of a timely
26 request by the named insured, state in writing the reason
27 for cancellation. A statement of reason shall be mailed or
28 delivered to the named insured within five calendar days after
29 receipt of a request.

30 2. A notice of exclusion of a person under a policy pursuant
31 to [section 515D.4](#), is not effective unless written notice
32 is mailed or delivered to the named insured at least twenty
33 calendar days prior to the effective date of the exclusion.
34 The written notice shall state the reason for the exclusion,
35 together with notification of the right to a hearing before

1 the commissioner pursuant to [section 515D.10](#) within fifteen
2 calendar days of receipt or delivery of a statement of reason
3 as provided in [this section](#).

4 Sec. 32. Section 515D.6, Code 2021, is amended to read as
5 follows:

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

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

10 2. No insurer shall require a physical examination of a
11 policyholder as a condition for renewal solely on the basis of
12 age or other arbitrary reason. In the event that an insurer
13 requires a physical examination of a policyholder, the burden
14 of proof in establishing reasonable and sufficient grounds for
15 such requirement shall rest with the insurer and the expenses
16 incident to such examination shall be borne by the insurer.

17 Sec. 33. Section 515D.7, Code 2021, is amended to read as
18 follows:

19 **515D.7 Notice of intent.**

20 1. Notwithstanding the provisions of [sections 515.125](#),
21 [515.128](#), [515.129B](#), and [515.129C](#), an insurer shall not fail to
22 renew a policy except by notice to the insured as provided
23 in [this chapter](#). A notice of intention not to renew shall
24 not be effective unless mailed or delivered by the insurer
25 to the named insured at least thirty calendar days prior to
26 the expiration date of the policy. A post office department
27 certificate of mailing to the named insured at the address
28 shown in the policy shall be proof of receipt of such mailing.
29 Unless the reason accompanies the notice of intent not to
30 renew, the notice shall state that, upon written request of
31 the named insured, mailed or delivered to the insurer not less
32 than thirty calendar days prior to the expiration date of the
33 policy, the insurer will state the reason for nonrenewal.

34 2. When the reason does not accompany the notice of intent
35 not to renew, the insurer shall, upon receipt of a timely

1 request by the named insured, state in writing the reason
2 for nonrenewal, together with notification of the right to a
3 hearing before the commissioner within fifteen calendar days
4 as provided herein. A statement of reason shall be mailed or
5 delivered to the named insured within ten days after receipt
6 of a request.

7 3. **This section** shall not apply:

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

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

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

15 Sec. 34. Section 515D.10, Code 2021, is amended to read as
16 follows:

17 **515D.10 Hearing before commissioner.**

18 Any named insured who has received a statement of reason
19 for cancellation, or of reason for an insurer's intent not
20 to renew a policy, may, within fifteen calendar days of the
21 receipt or delivery of a statement of reason, request a hearing
22 before the commissioner of insurance. The purpose of this
23 hearing shall be limited to establishing the existence of the
24 proof or evidence ~~used~~ stated by the insurer ~~in~~ as its reason
25 for cancellation or intent not to renew. The burden of proof
26 of the reason for cancellation or intent not to renew shall
27 be upon the insurer. Other than the sharing of information
28 required by **this chapter** and the rules adopted pursuant to
29 the provisions of **this chapter**, the commissioner shall keep
30 confidential the information obtained from the insured or in
31 the hearing process, pursuant to **section 505.8, subsection 8.**
32 The commissioner of insurance shall adopt rules ~~for carrying~~
33 ~~out~~ pursuant to chapter 17A to implement the provisions of this
34 section.

35 Sec. 35. Section 515F.2, Code 2021, is amended by adding the

1 following new unnumbered paragraph:

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

4 Sec. 36. Section 515F.2, Code 2021, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 2A. "*Commissioner*" means the commissioner
7 of insurance.

8 Sec. 37. Section 515F.8, subsection 3, paragraph a, Code
9 2021, is amended by adding the following new subparagraph:

10 NEW SUBPARAGRAPH. (7) A license fee as established by the
11 commissioner by rule.

12 Sec. 38. Section 515F.8, subsection 3, paragraph d, Code
13 2021, is amended to read as follows:

14 *d. Duration.* A license issued under [this section](#) shall
15 remain in effect for ~~one year~~ three years unless the license
16 is suspended or revoked. The commissioner may, at any time
17 after hearing, revoke or suspend the license of an advisory
18 organization which does not comply with ~~the requirements and~~
19 ~~standards of~~ [this chapter](#).

20 Sec. 39. Section 515F.32, Code 2021, is amended by adding
21 the following new unnumbered paragraph:

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

24 Sec. 40. Section 515F.32, subsection 3, Code 2021, is
25 amended to read as follows:

26 3. "*Insurer*" includes all companies or associations licensed
27 to transact insurance business in this state under chapters
28 515, [518](#), and [518A](#), reciprocal insurers issued a certificate
29 of authority pursuant to chapter 520, and companies or
30 associations admitted or seeking to be admitted to do business
31 in this state under any of those chapters, notwithstanding any
32 provision of the Code to the contrary.

33 Sec. 41. Section 515F.36, subsection 2, paragraph a,
34 subparagraphs (1) and (2), Code 2021, are amended to read as
35 follows:

1 (1) American property casualty insurance association.

2 (2) ~~Property casualty insurers association of America~~

3 National association of mutual insurance companies.

4 Sec. 42. NEW SECTION. 515F.39 Cancellation or nonrenewal
5 — FAIR notice.

6 If basic property insurance coverage is canceled or not
7 renewed other than for nonpayment of a premium pursuant to
8 section 515.125, 515.126, 515.127, 515.128, 518.23, or 518A.29,
9 the insurer shall notify the named insured that the named
10 insured may be eligible for basic property insurance through
11 the FAIR plan. The notice shall accompany the notice of
12 cancellation or the intent not to renew.

13 Sec. 43. Section 515I.4, subsection 1, paragraph a, Code
14 2021, is amended to read as follows:

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

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

20 (2) Fifteen million dollars.

21 (3) The risk-based capital level requirements pursuant to
22 chapter 521E.

23 Sec. 44. Section 520.12, subsection 2, Code 2021, is amended
24 to read as follows:

25 2. A reciprocal or interinsurance insurer shall submit
26 annually, on or before March 1, a completed application for
27 renewal of the insurer's certificate of authority. An insurer
28 that fails to timely file an application for renewal shall pay
29 an administrative fee ~~of five hundred dollars to the treasurer~~
30 ~~of state for deposit as provided in [section 505.7](#) to the~~
31 commissioner of insurance as established by the commissioner of
32 insurance by rule.

33 Sec. 45. Section 521.18, Code 2021, is amended to read as
34 follows:

35 **521.18 Articles of merger or consolidation — filing fees**

1 and approval.

2 A company filing a plan to merge or consolidate under the
3 provisions of [this chapter](#) shall file its articles of merger
4 or consolidation with the commission for its approval. The
5 fee for filing articles of merger or consolidation with
6 the commission ~~is fifty dollars~~ shall be established by the
7 commissioner by rule.

8 Sec. 46. Section 522.9, subsection 1, Code 2021, is amended
9 to read as follows:

10 1. If an insurer fails, without just cause, to file an
11 own risk and solvency assessment summary report by the filing
12 date stipulated to the commissioner pursuant to section 522.5,
13 subsection 1, paragraph "c", the commissioner shall, after
14 notice and hearing, impose a penalty of five hundred dollars
15 for each calendar day after the stipulated date that the
16 summary report is not filed. The penalties shall be collected
17 by the commissioner and deposited ~~in the general fund of the~~
18 state pursuant to section 505.7. The maximum penalty which may
19 be imposed under [this section](#) is fifty thousand dollars.

20 Sec. 47. Section 522A.5, Code 2021, is amended to read as
21 follows:

22 **522A.5 Fees Counter employee — license fee.**

23 The fee for a counter employee license shall be ~~fifty dollars~~
24 per counter employee established by the commissioner by rule.
25 ~~In no case shall any combined fees exceed one thousand dollars~~
26 ~~in any calendar year for any one rental company or limited~~
27 ~~license or licensee or renewal license.~~ The fees collected
28 under [this section](#) shall be deposited as provided in section
29 505.7.

30 Sec. 48. Section 522B.5, subsection 1, paragraph c, Code
31 2021, is amended to read as follows:

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

34 Sec. 49. Section 522E.4, subsection 1, paragraph c, Code
35 2021, is amended to read as follows:

1 c. ~~An application fee of the lesser of fifty dollars per~~
2 ~~each endorsee at a location of the vendor or five hundred~~
3 ~~dollars per location valid for a three-year period and, for~~
4 ~~each three-year period thereafter, a renewal fee in the same~~
5 ~~amount. A maximum fee of five thousand dollars shall apply~~
6 ~~for licensure of a portable electronics vendor with multiple~~
7 ~~locations established by the commissioner by rule. The fees~~
8 ~~collected shall be deposited as provided in section 505.7.~~

9

DIVISION III

10

CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL SALES

11

Sec. 50. Section 523A.204, subsections 1 and 2, Code 2021,
12 are amended to read as follows:

13

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

16

2. A preneed seller filing an annual report shall pay a
17 ~~filing fee of ten dollars~~ established by the commissioner by
18 rule per purchase agreement sold during the year covered by
19 the report. Duplicate filing fees are not required for the
20 same purchase agreement. If a purchase agreement has multiple
21 sellers, the filing fee shall be paid by the preneed seller
22 actually providing the merchandise and services.

23

Sec. 51. Section 523A.204, Code 2021, is amended by adding
24 the following new subsection:

25

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

32

Sec. 52. Section 523A.501, subsections 7 and 8, Code 2021,
33 are amended to read as follows:

34

7. A preneed seller's license ~~expires~~ shall expire annually
35 on April 15 30. If ~~the~~ a preneed seller has filed a ~~complete~~

1 an annual report pursuant to section 523A.204, subsection 1,
2 and paid the required fees ~~as required in section 523A.204,~~ the
3 commissioner shall renew the preneed seller's license until
4 April ~~15~~ 30 of the following year.

5 8. The commissioner may by rule create or accept a
6 multijurisdiction preneed seller's license. If the preneed
7 seller's license is issued by another jurisdiction, the rules
8 shall require the filing of an application or notice form and
9 payment of the applicable filing fee ~~of fifty dollars for an~~
10 application established by the commissioner by rule. The
11 application or notice form utilized and the effective dates and
12 terms of the license may vary from the provisions set forth in
13 this section.

14 Sec. 53. Section 523A.502, subsection 5, Code 2021, is
15 amended to read as follows:

16 5. A sales license shall expire annually on April ~~15~~ 30. If
17 a sales agent has filed a substantially complete an annual
18 report as required in pursuant to section 523A.502A, subsection
19 1, and has fulfilled the continuing education requirements
20 pursuant to subsection 6, the commissioner shall renew the
21 sales agent's sales license until April 15 30 of the following
22 year.

23 Sec. 54. Section 523A.502A, subsection 1, Code 2021, is
24 amended to read as follows:

25 1. A No later than April 15, a sales agent shall file an
26 annual report with the commissioner ~~not later than April 1~~
27 ~~of each year an annual report~~ on a form prescribed by the
28 commissioner describing each purchase agreement sold by the
29 sales agent during the year. An annual report must be filed
30 whether or not ~~sales were made~~ a sales agent sold any purchase
31 agreements during the year and ~~even if the~~ whether or not a
32 sales agent is no longer still an agent of a preneed seller or
33 is still licensed by the commissioner.

34 Sec. 55. Section 523A.502A, Code 2021, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. 3. The commissioner may impose a late fee,
2 established by the commissioner by rule, for each day after
3 April 15 that a sales agent fails to file the sales agent's
4 annual report. The maximum late fee that may be imposed
5 pursuant to this section is five hundred dollars. The fee
6 shall be collected by the commissioner and deposited pursuant
7 to section 505.7.

8 Sec. 56. Section 523A.601, subsection 4, Code 2021, is
9 amended by striking the subsection and inserting in lieu
10 thereof the following:

11 4. All purchase agreements, including a purchase agreement
12 delivered or executed by electronic means, must have a sales
13 agent identified. A purchase agreement, including a purchase
14 agreement delivered or executed by electronic means, shall
15 be reviewed by the sales agent identified and named in the
16 purchase agreement pursuant to subsection 1, paragraph "a", and
17 signed by the purchaser and seller. If the purchase agreement
18 is for mortuary science services as "*mortuary science*" is
19 defined in section 156.1, the purchase agreement must also be
20 signed by a person licensed to deliver funeral services.

21 Sec. 57. Section 523A.807, subsection 3, unnumbered
22 paragraph 1, Code 2021, is amended to read as follows:

23 If the commissioner finds that a person has violated section
24 523A.201, [523A.202](#), [523A.203](#), [523A.204](#), [523A.207](#), [523A.401](#),
25 [523A.402](#), [523A.403](#), [523A.404](#), [523A.405](#), [523A.501](#), ~~or 523A.502~~,
26 [or 523A.502A](#), or any rule adopted pursuant thereto, the
27 commissioner may order any or all of the following:

28 Sec. 58. Section 523A.812, Code 2021, is amended to read as
29 follows:

30 **523A.812 Insurance division regulatory fund.**

31 The insurance division may authorize the creation of a
32 special revenue fund in the state treasury, to be known as the
33 insurance division regulatory fund. The commissioner shall
34 allocate annually from the filing fees paid pursuant to section
35 523A.204, ~~two dollars~~ an amount established by the commissioner

1 by rule for each purchase agreement reported on a preneed
 2 seller's annual report filed pursuant to [section 523A.204](#) for
 3 deposit to the regulatory fund. The remainder of the fees
 4 collected pursuant to [section 523A.204](#) shall be deposited
 5 as provided in [section 505.7](#). The commissioner shall also
 6 allocate annually the examination fees paid pursuant to section
 7 523A.814 and any examination expense reimbursement for deposit
 8 to the regulatory fund. The moneys in the regulatory fund
 9 shall be retained in the fund. The moneys are appropriated
 10 and, subject to authorization by the commissioner, may be used
 11 to pay examiners, examination expenses, investigative expenses,
 12 the expenses of mediation ordered by the commissioner, consumer
 13 education expenses, the expenses of a toll-free telephone
 14 line to receive consumer complaints, and the expenses of
 15 receiverships established under [section 523A.811](#). If the
 16 commissioner determines that funding is not otherwise available
 17 to reimburse the expenses of a person who receives title
 18 to a cemetery subject to [chapter 523I](#), pursuant to such
 19 a receivership, the commissioner shall use moneys in the
 20 regulatory fund as necessary to preserve, protect, restore,
 21 and maintain the physical integrity of that cemetery and to
 22 satisfy claims or demands for cemetery merchandise, funeral
 23 merchandise, and funeral services based on purchase agreements
 24 which the commissioner determines are just and outstanding.
 25 ~~An annual allocation to the regulatory fund shall not be~~
 26 ~~imposed if the current balance of the fund exceeds five hundred~~
 27 ~~thousand dollars.~~

28 Sec. 59. Section 523A.814, Code 2021, is amended to read as
 29 follows:

30 **523A.814 Examination fee.**

31 In addition to the filing fee paid pursuant to section
 32 523A.204, subsection 2, a seller filing an annual report
 33 shall pay an examination fee in the amount ~~of five dollars~~
 34 established by the commissioner by rule for each purchase
 35 agreement subject to a filing fee ~~that is sold between July 1,~~

1 ~~2005, and December 31, 2007, and in the amount of ten dollars~~
2 ~~for each purchase agreement subject to a filing fee that is~~
3 ~~sold after December 31, 2007.~~

4 DIVISION IV

5 RESIDENTIAL AND MOTOR VEHICLE SERVICE CONTRACTS

6 Sec. 60. Section 523C.3, subsection 2, Code 2021, is amended
7 to read as follows:

8 2. The application shall be accompanied by all of the
9 following:

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

12 b. If applicable, a fee in the amount ~~of fifty dollars~~
13 established by the commissioner by rule for each motor vehicle
14 service contract form submitted in an application as provided
15 in [subsection 1](#), paragraph "f".

16 Sec. 61. Section 523C.4, subsection 3, paragraphs a, b, and
17 c, Code 2021, are amended to read as follows:

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

20 b. If applicable, a fee ~~in the amount of three percent~~
21 percentage established by the commissioner by rule of the
22 aggregate amount of payments the licensee received for the sale
23 or issuance of residential service contracts in this state
24 during the preceding fiscal year, ~~provided that such fee shall~~
25 ~~be no less than one hundred dollars and no greater than fifty~~
26 ~~thousand dollars.~~

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

32 Sec. 62. Section 523C.24, subsection 2, Code 2021, is
33 amended to read as follows:

34 2. The commissioner shall deposit in the service company
35 oversight fund an amount equal to one-third of all licensing,

1 examination, renewal, and inspection fees collected under this
2 chapter, provided that the maximum amount of fees deposited
3 in the fund each fiscal year shall not exceed ~~five hundred~~
4 ~~thousand dollars~~ an amount established by the commissioner by
5 rule. Any remaining fees collected under this chapter and
6 not deposited in the service company oversight fund shall be
7 deposited as provided in section 505.7.

8 DIVISION V

9 RETIREMENT FACILITIES

10 Sec. 63. Section 523D.2A, unnumbered paragraph 1, Code
11 2021, is amended to read as follows:

12 On or before March 1 of each year, a provider shall
13 file a certification with the commissioner ~~in a manner and~~
14 ~~according to~~ in compliance with requirements established by the
15 commissioner by rule. The certification shall be accompanied
16 by a ~~one hundred dollar administrative fee which fee in an~~
17 amount established by the commissioner by rule and shall be
18 deposited as provided in section 505.7. The certification
19 shall attest that according to the best knowledge and belief of
20 the attesting party, the facility administered by the provider
21 is in compliance with ~~the provisions of~~ this chapter, including
22 rules adopted by the commissioner ~~or~~ and orders issued by the
23 commissioner as authorized under this chapter. The attesting
24 person may be any of the following:

25 DIVISION VI

26 IOWA CEMETERY ACT

27 Sec. 64. Section 523I.102, subsection 6, Code 2021, is
28 amended by adding the following new paragraph:

29 NEW PARAGRAPH. d. A cemetery under the jurisdiction and
30 control of a cemetery commission pursuant to section 331.325,
31 subsection 3, paragraph "c".

32 Sec. 65. Section 523I.213, Code 2021, is amended to read as
33 follows:

34 **523I.213 Insurance division's enforcement fund.**

35 A special revenue fund in the state treasury, to be known as

1 the insurance division's enforcement fund, is created under the
2 authority of the commissioner. The commissioner shall allocate
3 ~~annually from the examination fees paid pursuant to section~~
4 ~~523I.808, an amount not exceeding fifty thousand dollars, for~~
5 ~~deposit to all examination fees collected pursuant to section~~
6 523I.808 in the insurance division's enforcement fund. The
7 moneys in the enforcement fund shall be retained in the fund.
8 The moneys are appropriated and, subject to authorization by
9 the commissioner, shall be used to pay examiners, examination
10 expenses, investigative expenses, the expenses of consumer
11 education, compliance, and education programs for filers and
12 other regulated persons, and educational or compliance program
13 materials, the expenses of a toll-free telephone line for
14 consumer complaints, and the expenses of receiverships of
15 perpetual care cemeteries established under [section 523I.212](#).

16 Sec. 66. Section 523I.301, subsections 1 and 2, Code 2021,
17 are amended to read as follows:

18 1. A cemetery shall disclose, prior to the sale of interment
19 rights, whether opening and closing ~~of the interment space is~~
20 services are included in the purchase of the interment rights.
21 If opening and closing services are not included in the sale of
22 interment rights and the cemetery offers opening and closing
23 services, the cemetery must disclose that the price for ~~this~~
24 service opening and closing services is subject to change
25 and must disclose the current prices for opening and closing
26 services provided by the cemetery.

27 2. The cemetery shall fully disclose all fees required for
28 interment, entombment, ~~or~~ inurnment, or disinterment of human
29 remains.

30 Sec. 67. Section 523I.309, subsection 6, Code 2021, is
31 amended to read as follows:

32 6. A cemetery ~~may~~ shall disinter and relocate remains
33 interred in the cemetery for the purpose of correcting an error
34 made by the cemetery after obtaining a disinterment permit
35 as required by [section 144.34](#), unless the interested parties

1 have a written agreement directing otherwise. The cemetery
2 shall bear the costs of the disinterment and relocation. The
3 cemetery shall provide written notice describing the error
4 to the commissioner and to the person who has the right to
5 control the interment, relocation, or disinterment of the
6 remains erroneously interred, by restricted certified mail at
7 the person's last known address and sixty days prior to the
8 disinterment. The notice shall include the location where the
9 disinterment will occur and the location of the new interment
10 space. A cemetery is not civilly or criminally liable for an
11 erroneously made interment that is corrected in compliance
12 with this subsection unless the error was the result of gross
13 negligence or intentional misconduct.

14 Sec. 68. Section 523I.808, Code 2021, is amended to read as
15 follows:

16 **523I.808 ~~Examination~~ Annual report — examination fee.**

17 An examination fee, established by the commissioner by rule,
18 for each certificate of internment rights issued during the
19 time period covered by the report shall be submitted with the a
20 perpetual care cemetery's annual report in an amount equal to
21 five dollars for each certificate of interment rights issued
22 during the time period covered by the report filed pursuant to
23 section 523I.813. The cemetery may charge the examination fee
24 directly to the purchaser of the interment rights.

25 Sec. 69. Section 523I.813, subsection 3, Code 2021, is
26 amended by striking the subsection and inserting in lieu
27 thereof the following:

28 3. The commissioner may assess a late fee, established
29 by the commissioner by rule, for each day after the date on
30 which a perpetual care cemetery's annual report is due that the
31 perpetual care cemetery fails to file the report. The late fee
32 shall be collected by the commissioner and deposited pursuant
33 to section 505.7.

34
35

DIVISION VII
STATE INNOVATION WAIVER

1 Sec. 70. NEW SECTION. **505.18A State innovation waivers.**

2 1. The commissioner of insurance may develop by rule
3 a state innovation waiver pursuant to section 1332 of the
4 federal Patient Protection and Affordable Care Act, Pub. L. No.
5 111-148.

6 2. The commissioner of insurance may submit an application
7 on behalf of the state to the United States secretary of health
8 and human services and the United States secretary of the
9 treasury for the state innovation waiver developed pursuant to
10 subsection 1.

11 3. If a state innovation waiver submitted pursuant to
12 subsection 2 is approved by the United States secretary of
13 health and human services and the United States secretary of
14 the treasury, the commissioner of insurance may implement the
15 state innovation waiver in a manner consistent with applicable
16 state and federal law.

17 4. The commissioner of insurance may adopt emergency
18 rules under section 17A.4, subsection 3, and section 17A.5,
19 subsection 2, paragraph "b", to implement the provisions of
20 this section and the rules shall be effective immediately upon
21 filing unless a later date is specified in the rules. Any
22 rules adopted in accordance with this section shall also be
23 published as a notice of intended action as provided in section
24 17A.4.

25

EXPLANATION

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

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

31 DIVISION I — UNIFORM SECURITIES. Code section 502.304A
32 (expedited registration by filing for small issuers) is amended
33 to provide that an issuer, and a person registering as an
34 agent of the issuer, must pay the administrator a registration
35 fee established by the administrator, rather than the set

1 fee amounts of \$100 (issuer) and \$10 (person registering as
2 an agent) required by current law. Code section 502.321G
3 (fees) is amended to change the nonrefundable fee for a
4 registration statement filed by an offeror from \$250 to an
5 amount established by the administrator.

6 Code section 502.410 (filing fees) is amended to change
7 the broker-dealer filing fee for an application or renewal
8 registration from \$200 to an amount established by the
9 administrator. In addition, the filing fee for registration
10 or renewal as an agent is amended from \$40 to an amount
11 established by the administrator. Of the agent registration
12 fees collected, 25 percent are appropriated to the securities
13 investor education and financial literacy training fund.
14 Current law provides that \$10 of every \$40 fee collected
15 goes to the fund. The filing fee for an investment adviser
16 application or renewal registration is amended from \$100 to
17 an amount established by the administrator. The bill also
18 amends the filing fees for an investment adviser representative
19 application, renewal registration, and change of registration
20 from \$30 to an amount established by the administrator. A
21 federal covered investment adviser must pay an initial fee
22 and an annual notice fee in an amount established by the
23 administrator, rather than the \$100 fee required under current
24 law.

25 DIVISION II — INSURANCE. The bill amends Code section
26 505.30 (service of process on the commissioner) to specify
27 that the commissioner of insurance (commissioner) may set a
28 reasonable fee for service made on the commissioner.

29 The bill amends Code section 507A.4 (transactions where law
30 not applicable) and provides that Code chapter 507A does not
31 apply to a multiple employer welfare arrangement (MEWA) or a
32 MEWA formed as an association health plan (AHP) that meets the
33 requirements of Code chapter 513D. The bill strikes current
34 Code section 513D.1 (association health plans) and replaces it
35 with new provisions which detail the requirements for MEWAs and

1 AHPs that offer a plan to, or that maintain a group health plan
2 for, any resident of Iowa. "AHP" and "MEWA" are defined in the
3 bill.

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

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

18 The bill broadens the definition of "insurer" in Code
19 section 507E.2A (definitions) to include any corporation,
20 association, partnership, or individual engaged in the business
21 of insurance, including but not limited to a corporation,
22 association, partnership, or individual that issues a policy
23 of workers' compensation, a self-insured business for purposes
24 of workers' compensation liability, or a group or self-insured
25 plan. The bill specifically excludes a person required to be
26 licensed to sell, solicit, or negotiate insurance pursuant to
27 Code chapter 522B from the definition.

28 Code section 507E.8 (law enforcement authority) is amended
29 by the bill to specify that an individual who is employed by
30 the insurance division and is designated as a peace officer
31 shall be considered a law enforcement officer and shall
32 exercise the powers of a law enforcement officer as detailed
33 in the bill.

34 The bill amends Code section 508E.3 (license requirements) to
35 change the application and renewal fees for a viatical

1 settlement provider and a viatical settlement broker from \$100
2 to an amount established by the administrator.

3 Code section 509A.15 (certification of self-insurance plans
4 — exemption) is amended to change the filing fee for the end
5 of fiscal year filing of a governing body of a self-insurance
6 plan of a political subdivision or a school corporation from
7 \$100 to an amount established by the commissioner. The current
8 \$15 per day penalty for late filings is changed to a late fee
9 established by the commissioner.

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

15 The bill strikes and replaces Code section 510.23 (unfair
16 competition or unfair and deceptive acts or practices
17 prohibited) and makes third-party administrators that violate
18 Code chapter 507B or 510 subject to the sanctions and penalties
19 set out in Code section 507B.7. Third-party administrators are
20 subject to Code chapter 507B under current law.

21 Code section 511.24 (fees from domestic and foreign
22 companies) is amended to change specific dollar amounts for
23 certain filing fees for foreign or domestic life insurance
24 companies to fee amounts determined by the commissioner.

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

29 The bill makes conforming changes to Code section 512B.25
30 (annual license — renewal) and requires that for each license
31 or renewal application a fraternal benefit society submit a fee
32 established by the commissioner, rather than \$50 as required by
33 current law. The bill also changes the current administrative
34 penalty of \$500 for a late renewal filing to a late fee as
35 established by the commissioner.

1 The bill makes conforming changes to Code chapter 514G
2 (long-term care insurance) and amends the Code chapter
3 to change the terminology throughout the Code chapter
4 from "independent review entity" to "independent review
5 organization".

6 Code section 515.147 (fees) is amended to change filing
7 fees for certain filings from specific dollar amounts to fees
8 determined by the commissioner. The bill makes conforming
9 changes to and amends Code section 515A.10 to provide more
10 specific requirements related to licensing requirements, fees,
11 and penalties for advisory organizations.

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

17 Code section 515F.32 is amended to add reciprocal insurers
18 to the definition of "insurer". Code section 515F.36 is
19 amended to change the makeup of the membership of the governing
20 committee that administers the FAIR plan. The bill creates a
21 new requirement that if basic property insurance coverage is
22 canceled or not renewed other than for nonpayment of a premium
23 pursuant to Code section 515.125, 515.126, 515.127, 515.128,
24 518.23, or 518A.29, the insurer must notify the named insured
25 that they may be eligible for basic property insurance through
26 the FAIR plan, and the notice must accompany the notice of
27 cancellation or the intent not to renew.

28 The bill amends Code section 515I.4 (requirements for
29 eligible surplus lines insurers) to allow a nonadmitted
30 insurer seeking to qualify as an eligible surplus line insurer
31 the option of demonstrating that the nonadmitted insurer
32 has capital and surplus under the laws of the nonadmitted
33 insurer's domiciliary that equal the risk-based capital level
34 requirements required by Iowa law. Current law requires the
35 nonadmitted insurer to demonstrate that the nonadmitted insurer

1 has capital and surplus under the laws of the nonadmitted
2 insurer's domiciliary that equal the greater of the minimum
3 capital and surplus required under the laws of this state, or
4 \$15 million.

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

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

14 Code section 522.9 (penalties) is amended to allow the
15 commissioner to deposit penalties that have been collected due
16 to insurers' failure to file a timely own risk and solvency
17 assessment summary report pursuant to Code section 505.7.
18 Current law requires the commissioner to deposit the penalties
19 into the general fund of the state.

20 Code section 522A.5 (counter employee — license fee) is
21 amended to change the license fee for a counter employee from
22 \$50 to an amount established by the commissioner, and removes
23 the cap of \$1,000 per calendar year for all combined fees paid
24 by any one rental company.

25 The bill amends Code section 522B.5 (application for
26 license) to change the application fee for a resident insurance
27 producer license from \$50 to an amount established by the
28 commissioner.

29 Code section 522E.4 (application and fees) is amended to
30 change the application fee for a portable electronics insurance
31 license from a variable dollar amount to an amount established
32 by the commissioner. The bill also removes the \$5,000 cap
33 on the total application fees that can be charged for the
34 licensure of a portable electronics vendor with multiple
35 locations.

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

9 DIVISION III — CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL
10 SALES. The bill amends Code section 523A.204 (preneed seller
11 annual reporting requirements) to require preneed sellers to
12 file an annual report by April 15 rather than the current date
13 of April 1. The bill changes the filing fee for the report
14 from \$10 to an amount established by the commissioner. The
15 bill allows the commissioner to impose a late fee for each
16 day the report is late, up to a maximum of \$500. The fee is
17 to be collected by the commissioner and deposited pursuant to
18 Code section 505.7. Code section 523A.501 (preneed sellers —
19 licenses) is amended to specify that preneed sellers' licenses
20 expire annually on April 30, rather than the current expiration
21 date of April 15. The bill changes the filing fee for a
22 multijurisdictional preneed seller's license that is issued by
23 another jurisdiction from \$50 to an amount established by the
24 commissioner.

25 The bill amends Code section 523A.502 (sales agents —
26 licenses) to specify that sales agents' licenses expire
27 annually on April 30, rather than the current expiration date
28 of April 15, and an agent must have fulfilled continuing
29 education requirements to qualify for renewal. Code section
30 523A.502A (sales agent annual reporting requirements) is
31 amended to require sales agents to file an annual report by
32 April 15, rather than the current date of April 1. The bill
33 allows the commissioner to impose a late fee for each day that
34 the annual 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.

2 The bill strikes and replaces Code section 523A.601
3 (disclosures) and requires that all purchase agreements,
4 including those delivered or executed by electronic means,
5 identify a sales agent. Purchase agreements must also be
6 reviewed by the sales agent and signed by the purchaser and
7 seller. If a purchase agreement is for mortuary science
8 services, the purchase agreement must also be signed by a
9 person licensed to deliver funeral services.

10 The bill amends Code section 523A.812 (insurance division
11 regulatory fund) to allocate an amount established by the
12 commissioner to the regulatory fund from the filing fees for
13 each purchase agreement reported on a preneed seller's annual
14 report. Current law requires the commissioner to allocate
15 \$2 from each filing fee to the regulatory fund. The bill
16 also removes the prohibition on an annual allocation to the
17 regulatory fund if the current balance exceeds \$500,000.

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

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

24 DIVISION IV — RESIDENTIAL AND MOTOR VEHICLE SERVICE
25 CONTRACTS. Code section 523C.3 (application for license)
26 is amended to change the \$500 fee for an application for
27 a service company license to a fee established by the
28 commissioner. The current fee of \$50 for each motor vehicle
29 service contract form submitted with an application is also
30 changed to a fee as established by the commissioner. Code
31 section 523C.4 (license expiration and renewal) is amended to
32 change the license renewal fee of \$500 to a fee established
33 by the commissioner. The bill amends the fee, based on the
34 aggregate amount of payments a licensee received for the sale
35 or issuance of residential service contracts in this state

1 during the preceding fiscal year, from 3 percent per contract
2 to a percentage established by the commissioner by rule, and
3 also removes the minimum and maximum dollar amount of fees
4 that a licensee is required to submit. In addition, the bill
5 amends the fee for each motor vehicle service contract form
6 submitted with an application from \$50 to a fee established by
7 the commissioner.

8 Code section 523C.24 (service company oversight fund) is
9 amended to allow the commissioner to establish the amount
10 deposited in the service company oversight fund from all
11 licensing, examination, renewal, and inspection fees collected
12 under Code chapter 523C. The bill also removes the current
13 \$500,000 maximum cap on fees that may be deposited in the fund
14 each fiscal year.

15 DIVISION V — RETIREMENT FACILITIES. Code section 523D.2A
16 is amended to change the administrative fee submitted by a
17 provider with its certification filing from \$100 to an amount
18 established by the commissioner.

19 DIVISION VI — IOWA CEMETERY ACT. Code section 523I.102
20 (definitions) is amended to exclude specific cemeteries, under
21 the jurisdiction and control of a cemetery commission that
22 has jurisdiction and control over pioneer cemeteries, from
23 the definition of "cemetery" for purposes of Code chapter
24 523I. Code section 523I.213 (insurance division's enforcement
25 fund) is amended to remove the cap on the allocation to the
26 insurance division's enforcement fund of examination fees paid
27 by perpetual cemeteries with their annual report. The bill
28 requires the commissioner to deposit all of the examination
29 fees in the enforcement fund.

30 Code section 523I.301 (disclosure requirements — prices
31 and fees) is amended to require cemeteries to disclose, prior
32 to the sale of interment rights, whether opening and closing
33 services are included in the purchase price. The bill also
34 requires cemeteries to disclose all fees associated with
35 disinterment services.

1 Code section 523I.309 (interment, relocation, or
2 disinterment of remains) is amended to require cemeteries
3 to disinter and relocate remains interred in a cemetery for
4 the purpose of correcting an error made by the cemetery,
5 unless the interested parties have a written agreement
6 directing otherwise. The cemetery must bear all costs of the
7 disinterment and relocation. Current law permits, but does not
8 require, a cemetery to disinter and relocate such remains, and
9 the cemetery is not required to bear the cost of disinterment
10 and relocation.

11 The bill amends Code section 523I.808 (examination fee) to
12 require an examination fee, established by the commissioner,
13 for each certificate of interment rights issued during the
14 period covered by a perpetual care cemetery's annual report.
15 Under current law, the fee is \$5 per certificate.

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

20 DIVISION VII — STATE INNOVATION WAIVER. The bill
21 authorizes the commissioner to develop by rule a state
22 innovation waiver (waiver) pursuant to section 1332 of the
23 federal Patient Protection and Affordable Care Act, Pub. L. No.
24 111-148, and to submit an application on behalf of the state
25 to the United States secretary of health and human services
26 and the United States secretary of the treasury (secretaries)
27 for the waiver. If a waiver is approved by the secretaries,
28 the commissioner is authorized to implement the waiver in a
29 manner consistent with applicable state and federal law. The
30 bill authorizes the commissioner to adopt emergency rules
31 to implement the waiver and the rules are to be effective
32 immediately upon filing unless a later date is specified in the
33 rules. Any rules that are adopted must also be published as a
34 notice of intended action.