

House File 463 - Introduced

HOUSE FILE 463
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 167)

A BILL FOR

1 An Act relating to insurance policy terms and public policy
2 considerations.

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

1 Section 1. Section 509.3, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 3. *a.* A policy or policy form in
4 connection with a policy of group accident or health insurance,
5 or combination thereof, that is issued in this state shall
6 not contain a provision that is unjust, unfair, inequitable,
7 misleading, deceptive, encourages misrepresentation of the
8 policy, or that is otherwise contrary to public policy.

9 *b.* It shall be unlawful for a carrier to issue a policy, or
10 to use a policy form in connection with a policy, after notice
11 from the commissioner of insurance that the policy or policy
12 form violates paragraph "a".

13 *c.* A carrier shall have twenty days after receipt of a
14 notice under paragraph "b" to request a hearing to contest
15 the commissioner's notice. The hearing shall be conducted
16 pursuant to chapter 17A. If the hearing results in a decision
17 that affirms the commissioner's notice, the decision shall
18 be provided to the carrier in writing and shall specify the
19 reasons for the decision.

20 Sec. 2. NEW SECTION. 513B.4C **Filing requirement — prior**
21 **approval.**

22 1. *a.* A group policy of insurance against loss or expense
23 from sickness, or from the bodily injury or death by accident
24 of the insured, shall not be issued or delivered in this state
25 by a carrier until a copy of the policy has been filed with, and
26 approved by, the commissioner.

27 *b.* An application, rider, or endorsement shall not be used
28 in connection with a group policy under paragraph "a" until a
29 copy of the policy form has been filed with, and approved by,
30 the commissioner.

31 2. A filing under subsection 1 shall be deemed approved
32 unless disapproved by the commissioner within thirty days of
33 the date the filing is received by the commissioner.

34 Sec. 3. NEW SECTION. 513B.4D **Filing — disapproval.**

35 1. *a.* The commissioner shall provide notice to a

1 carrier that has filed a policy form pursuant to section
2 513B.4C, subsection 1, if upon review of the policy form the
3 commissioner finds any of the following:

4 (1) The benefits provided are unreasonable in relation to
5 the premium charged.

6 (2) The policy form contains a provision that is unjust,
7 unfair, inequitable, misleading, deceptive, encourages
8 misrepresentation of the policy, or is otherwise contrary to
9 public policy.

10 b. The notice under paragraph "a" shall do all of the
11 following:

12 (1) Advise the carrier that the policy form does not comply
13 with this section, or with the rules adopted pursuant to
14 chapter 17 to implement and administer this section.

15 (2) Advise the carrier that it shall be unlawful for the
16 carrier to issue the policy form or to use the policy form in
17 connection with any policy.

18 (3) Provide the specific reasons for the commissioner's
19 disapproval of the policy form.

20 2. A carrier shall have twenty days after receipt of a
21 notice under subsection 1 to request a hearing to contest
22 the commissioner's notice. The hearing shall be conducted
23 pursuant to chapter 17A. If the hearing results in a decision
24 that affirms the commissioner's notice, the decision shall
25 be provided to the carrier in writing and shall specify the
26 reasons for the decision.

27 Sec. 4. NEW SECTION. 513B.4E Withdrawal of approval.

28 1. The commissioner may, after opportunity for hearing,
29 withdraw the commissioner's previous approval of a policy form
30 under section 513B.4C if the policy form is in violation of
31 section 513B.4D, subsection 1, paragraph "a". The hearing shall
32 be conducted pursuant to chapter 17A. Notice to the carrier
33 of the hearing shall specify the matters to be considered at
34 the hearing.

35 2. It shall be unlawful for a carrier to issue a policy

1 form, or to use a policy form in connection with any group
2 policy, on or after the effective date of the commissioner's
3 withdrawal of a previous approval of the policy form.

4 3. If a hearing results in a decision to withdraw a previous
5 approval of a policy form, the decision shall be provided to
6 the carrier in writing and shall specify the reasons for the
7 commissioner's withdrawal of the prior approval.

8

EXPLANATION

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

11 This bill relates to insurance policy terms and public
12 policy considerations.

13 The bill prohibits a policy or policy form (form) in
14 connection with a group accident or health insurance policy
15 (group policy) that is issued in this state from containing
16 a provision that is unjust, unfair, inequitable, misleading,
17 deceptive, encourages misrepresentation, or that is otherwise
18 contrary to public policy (contrary to policy). The bill
19 makes it unlawful for a carrier to issue a policy or to use
20 a form in connection with any group policy after notice from
21 the commissioner of insurance (commissioner) that the policy
22 or form violates the prohibition. A carrier has 20 days
23 after receipt of the notice to request a hearing to contest
24 the commissioner's notice. The hearing shall be conducted
25 pursuant to Code chapter 17A and if it results in a decision
26 that affirms the commissioner's notice, the decision shall be
27 provided to the carrier in writing and specify the reasons for
28 the decision.

29 A group policy of insurance against loss or expense from
30 sickness, or from the bodily injury or death by accident of
31 the insured (accident and health policy), shall not be issued
32 or delivered in this state by a carrier until a copy of the
33 policy has been filed with, and approved by, the commissioner.
34 Applications, riders, or endorsements shall not be used in
35 connection with the accident and health policy until a copy

1 of the policy form has been filed with, and approved by,
2 the commissioner. A filing shall be deemed approved unless
3 disapproved by the commissioner within 30 days. If upon review
4 of a form the commissioner finds that the benefits provided
5 are unreasonable in relation to the premium charged, or that
6 the form contains a provision contrary to public policy, the
7 commissioner shall provide notice to the carrier that advises
8 the carrier as detailed in the bill. The carrier has 20
9 days after receipt of the notice to request a hearing, to be
10 conducted pursuant to Code chapter 17A. The division permits
11 the commissioner, after opportunity for hearing, to withdraw
12 the commissioner's previous approval of a form in circumstances
13 detailed in the bill. A carrier is prohibited from issuing a
14 form, or from using a form in connection with any group policy,
15 on or after the effective date of the commissioner's withdrawal
16 of the previous approval. If a hearing results in a decision
17 to withdraw a previous approval, the decision shall be provided
18 to the carrier in writing.