

Senate Study Bill 3081 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
INSURANCE AND FINANCIAL
SERVICES BILL)

A BILL FOR

1 An Act relating to the insurance commissioner's authority
2 concerning insurance producers, business entity producers,
3 and preneed sellers.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 505.17, subsection 1, paragraph a, Code
2 2024, is amended to read as follows:

3 a. Information, records, and documents utilized for the
4 purpose of, or in the course of, investigation, regulation,
5 or examination of an insurance company, ~~or~~ insurance holding
6 company, an individual insurance producer, or a business entity
7 producer received by the division from some other governmental
8 entity which treats such information, records, and documents
9 as confidential, are confidential and shall not be disclosed
10 by the division and are not subject to subpoena. Such
11 information, records, and documents do not constitute a public
12 record under [chapter 22](#).

13 Sec. 2. Section 522B.11, subsection 1, paragraph q, Code
14 2024, is amended to read as follows:

15 q. Is the subject of an order ~~of the securities~~
16 ~~administrator of this state or any other state, province,~~
17 ~~district, or territory,~~ denying, suspending, revoking,
18 or otherwise taking action against a registration as a
19 broker-dealer, agent, investment adviser, or investment adviser
20 representative issued by any of the following:

21 (1) The securities administrator of this state or any other
22 state, province, district, or territory.

23 (2) The federal securities and exchange commission.

24 (3) The financial industry regulatory authority.

25 Sec. 3. Section 523A.807, subsection 3, paragraph a, Code
26 2024, is amended to read as follows:

27 a. Payment of a civil penalty of not more than one thousand
28 dollars for each violation, ~~but~~ not exceeding an aggregate of
29 ten thousand dollars during any six-month period, except ~~that~~
30 if the commissioner finds that the person knew or reasonably
31 should have known that the person was in violation of ~~such~~
32 ~~provisions~~ a section or rules adopted pursuant ~~thereto~~ to a
33 section, the penalty shall be not more than five thousand
34 dollars for each violation, ~~but~~ and not ~~exceeding~~ exceed an
35 aggregate of fifty thousand dollars during any six-month

1 period. ~~The commissioner shall assess the penalty on the~~
2 ~~employer of an individual and not on the individual, if~~
3 ~~the commissioner finds that the violations committed by the~~
4 ~~individual were directed, encouraged, condoned, ignored, or~~
5 ~~ratified by the individual's employer.~~ Any civil penalties
6 collected under **this subsection** shall be deposited as provided
7 in **section 505.7**.

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 the insurance commissioner's authority
12 concerning insurance producers, business entity producers, and
13 preneed sellers.

14 Under current law, confidential information includes
15 the information, records, and documents utilized for the
16 investigation, regulation, or examination of an insurance
17 company or insurance holding company. The bill also applies
18 to the confidential information of an individual insurance
19 producer or a business entity producer. Such information,
20 records, and documents are confidential, and shall not be
21 disclosed by the insurance division and are not subject to
22 subpoena.

23 Current law permits the commissioner to place on probation,
24 or suspend, revoke, or refuse to issue or renew an insurance
25 producer's license, or levy a civil penalty, if the
26 insurance producer is the subject of an order of a securities
27 administrator. The bill includes an insurance producer that is
28 the subject of an order of the federal securities and exchange
29 commission or the financial industry regulatory authority.

30 The penalty for a violation of Code chapter 523A shall be a
31 civil penalty of not more than \$1,000 for each violation, not
32 to exceed an aggregate of \$10,000 during any six-month period,
33 except if the commissioner finds that the person knew or
34 reasonably should have known that the person was in violation
35 of specific laws or rules related to cemetery and funeral

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1 merchandise, and funeral services, the penalty shall not exceed
2 \$5,000 for each violation, or an aggregate of \$50,000 during
3 any six-month period.