

Senate File 2196 - Introduced

SENATE FILE 2196
BY WEBSTER

A BILL FOR

- 1 An Act relating to a waiting period before settling motor vehicle
- 2 insurance claims.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 507B.4, subsection 3, paragraph j, Code
2 2026, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (16) Failing to wait at least seventy-two
4 hours before settling or attempting to settle a motor vehicle
5 claim as required in section 507B.10.

6 Sec. 2. NEW SECTION. **507B.10 Waiting period before settling**
7 **motor vehicle claims.**

8 1. An insurer shall not settle or attempt to settle a motor
9 vehicle claim during the first seventy-two hours after the
10 occurrence of the event giving rise to the claim.

11 2. An insurer's duty to promptly settle a claim is tolled
12 during the mandatory waiting period described in subsection 1.

13 **EXPLANATION**

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

16 This bill prohibits an insurer from settling or attempting to
17 settle a motor vehicle claim during the first 72 hours after the
18 occurrence of the event giving rise to the claim. An insurer's
19 duty to promptly settle a claim is tolled during the mandatory
20 waiting period.

21 A person who violates a provision of the bill is subject
22 to entry of a cease and desist order, may be ordered by the
23 commissioner of insurance to pay a civil penalty ranging from
24 \$1,000 to \$50,000 under Code section 507B.7, and if the person
25 has a license to operate the person's business, the license is
26 subject to suspension or revocation.