

**Senate File 239 - Introduced**

SENATE FILE 239

BY SALMON, CAMPBELL, ALONS,  
GUTH, WESTRICH, GREEN, and  
TAYLOR

**A BILL FOR**

1 An Act relating to insurance requirements for the granting of a  
2 hazardous liquid pipeline permit.

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

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1 Section 1. NEW SECTION. **479B.13A Insurance requirements for**  
2 **permittee.**

3 1. In addition to the requirements of section 479B.13, before  
4 a permit is granted under this chapter, the applicant shall  
5 provide to the commission evidence of an appropriate surety or  
6 insurance policy to ensure the payment of all damages resulting  
7 from the construction and operation of the hazardous liquid  
8 pipeline. The surety or insurance policy must be sufficient to  
9 indemnify fully all of the following:

10 a. Any loss arising from or related to any negligent or  
11 intentional discharge of content from the pipeline.

12 b. Any injury, including diminution of value of real  
13 property, to affected properties due to the construction of the  
14 pipeline or the accidental or intentional discharge of content.

15 c. The inability for a person to obtain insurance, or the  
16 increased costs for a person to obtain or renew insurance, due to  
17 the presence or construction of the pipeline.

18 2. If any person is unable to obtain insurance, or  
19 experiences increased costs to obtain or renew insurance, as  
20 a result of the presence or construction of the pipeline, the  
21 pipeline owner shall either purchase insurance on behalf of the  
22 person or reimburse the person for the person's increased premium  
23 costs.

24 **EXPLANATION**

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

27 This bill relates to insurance requirements for the granting  
28 of a hazardous liquid pipeline permit.

29 The bill requires an applicant for a hazardous liquid pipeline  
30 permit to submit evidence to the Iowa utilities commission  
31 of a surety or insurance policy that ensures payment of all  
32 damages that may result from the construction or operation of  
33 the hazardous liquid pipeline before a permit may be granted  
34 by the commission. The surety or insurance policy must be  
35 sufficient to cover losses and injury resulting from construction

1 of the hazardous liquid pipeline and from any discharge of  
2 content from the pipeline. The surety or insurance policy must  
3 also be sufficient to cover any person's increased insurance  
4 costs, or the person's inability to obtain insurance, due to the  
5 construction or presence of the pipeline.

6 The bill requires the pipeline company to either purchase  
7 insurance on behalf of or reimburse any person who experiences  
8 increased insurance premiums or the inability to obtain insurance  
9 due to the construction or presence of the pipeline.

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