

Senate File 591 - Introduced

SENATE FILE 591

BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO SSB 1188)

(COMPANION TO LSB 1094HV BY
COMMITTEE ON LOCAL GOVERNMENT)

A BILL FOR

1 An Act relating to the natural hazard mitigation financing
2 program, the disaster recovery housing assistance program, the
3 disaster recovery new housing program, post-loss assignment
4 of benefits, the licensing and regulation of adjusters,
5 appraisers, and umpires, and the Iowa economic emergency fund,
6 and providing penalties, making appropriations, and including
7 effective date and retroactive applicability provisions.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

NATURAL HAZARD MITIGATION FINANCING PROGRAM

Section 1. NEW SECTION. **16.230 Definitions.**

1. "*Department*" means the department of homeland security and emergency management.

2. "*Fund*" means the natural hazard mitigation revolving loan fund created in section 29D.4.

3. "*Loan recipient*" means the same as defined in section 29D.2.

4. "*Program*" means the natural hazard mitigation financing program created in section 29D.3.

5. "*Project*" means the same as defined in section 29D.2.

Sec. 2. NEW SECTION. **16.231 Funds and accounts — program funds and accounts not part of state general fund.**

1. The department, in consultation with the authority, may establish and maintain funds or accounts determined to be necessary to carry out the purposes of chapter 29D and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts. Any moneys appropriated to the department and the authority for purposes of paying the costs and expenses associated with the administration of the program shall be administered as determined by the department in consultation with the authority.

2. The funds or accounts held by the department or the authority, or a trustee acting on behalf of the department or the authority pursuant to a trust agreement related to the program, shall not be considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state, but shall remain in the funds and accounts maintained by the department or the authority, or a trustee pursuant to a trust agreement. Funds and accounts held by the department or the authority, or a trustee acting on behalf of the department or the authority pursuant to a trust agreement related to the program, are

1 separate dedicated funds and accounts under the administration
2 and control of the department in consultation with the authority.

3 Sec. 3. NEW SECTION. **16.232 Program funding — bonds and**
4 **notes.**

5 1. The authority shall cooperate with the department in the
6 creation, administration, and financing of the program.

7 2. The authority may issue bonds and notes for the purpose
8 of funding the fund and the state matching funds required
9 pursuant to the federal Robert T. Stafford Disaster Relief and
10 Emergency Assistance Act, Pub. L. No. 93-288, as amended, 42
11 U.S.C. §5121 et seq. The authority may enter into one or
12 more loan agreements or purchase agreements with one or more
13 bondholders or noteholders containing the terms and conditions
14 of the repayment of, and the security for, each bond or note.
15 The authority and each bondholder or noteholder, or a trustee
16 agent designated by the authority, may enter into an agreement to
17 provide for any of the following:

18 a. That the proceeds of the bond or note and the investments
19 of the proceeds may be received, held, and disbursed by the
20 authority or by a trustee or agent designated by the authority.

21 b. That the bondholder or noteholder, or a trustee or agent
22 designated by the authority, may collect, invest, and apply the
23 amount payable under the loan agreement or any other instruments
24 securing the debt obligations under the loan agreement.

25 c. That the bondholder or noteholder may enforce the remedies
26 provided in the loan agreement or other instruments on the
27 bondholder's or noteholder's behalf without the appointment or
28 designation of a trustee. If there is a default in the principal
29 of, or interest on, the bond or note or in the performance of any
30 agreement contained in the loan agreement or other instrument,
31 the payment or performance may be enforced in accordance with the
32 loan agreement or other instrument.

33 d. Other terms and conditions as deemed necessary or
34 appropriate by the authority.

35 3. Chapter 16, except to the extent inconsistent with this

1 section, shall apply to bonds or notes issued, and powers granted
2 to the authority, under this section. Section 16.28, subsection
3 4, shall not apply to this section.

4 4. All bonds or notes issued by the authority in connection
5 with the program are exempt from taxation by this state and the
6 interest on the bonds or notes is exempt from state income tax.

7 Sec. 4. NEW SECTION. **16.233 Security — reserve funds —**
8 **pledges — nonliability.**

9 1. The authority may provide in the resolution, trust
10 agreement, or other instrument authorizing the issuance of bonds
11 or notes pursuant to chapter 29D that the principal of, premium,
12 and interest on the bonds or notes are payable from any of the
13 following and may pledge the same to the authority's bonds or
14 notes:

15 a. The income and receipts or other moneys derived from the
16 projects financed with the proceeds of the bonds or notes.

17 b. The income and receipts or other moneys derived from
18 designated projects whether or not the projects are financed in
19 whole or in part with the proceeds of the bonds or notes.

20 c. The amounts on deposit in the fund.

21 d. The amounts payable to the authority by loan recipients
22 pursuant to loan agreements with loan recipients.

23 e. Any other funds or accounts established by the authority
24 in connection with the program or the sale and issuance of the
25 authority's bonds or notes.

26 2. The authority may establish reserve funds to secure one or
27 more issues of its bonds or notes. The authority may deposit in
28 a reserve fund established under this subsection the proceeds of
29 the sale of the authority's bonds or notes and other moneys which
30 are made available from any other source.

31 3. It is the intention of the general assembly that a pledge
32 made in respect of bonds or notes shall be valid and binding
33 from the time the pledge is made, that the moneys or property
34 so pledged and received after the pledge by the authority shall
35 immediately be subject to the lien of the pledge without physical

1 delivery or further act, and that the lien of the pledge shall
2 be valid and binding as against all parties having claims of
3 any kind in tort, contract, or otherwise against the authority
4 whether or not the parties have notice of the lien. Neither the
5 resolution, trust agreement, nor any other instrument by which a
6 pledge is created needs to be recorded or filed under the Iowa
7 uniform commercial code, chapter 554, to be valid, binding, or
8 effective against the parties.

9 4. Neither the members of the authority nor persons executing
10 the bonds or notes are liable personally on the bonds or notes or
11 are subject to personal liability or accountability by reason of
12 the issuance of the bonds or notes.

13 5. The bonds or notes issued by the authority are not an
14 indebtedness or other liability of the state or of a political
15 subdivision of the state within the meaning of any constitutional
16 or statutory debt limitations but are special obligations of the
17 authority, and are payable solely from the income and receipts
18 or other funds or property of the authority, and the amounts
19 on deposit in the revolving loan funds, and the amounts payable
20 to the authority under the authority's loan agreements with loan
21 recipients to the extent that the amounts are designated in the
22 resolution, trust agreement, or other instrument of the authority
23 authorizing the issuance of the bonds or notes as being available
24 as security for such bonds or notes. The authority shall not
25 pledge the faith or credit of the state or of a political
26 subdivision of the state to the payment of any bonds or notes.
27 The issuance of any bonds or notes by the authority does not
28 directly, indirectly, or contingently obligate the state or a
29 political subdivision of the state to apply moneys from, or levy
30 or pledge any form of taxation to the payment of the bonds or
31 notes.

32 Sec. 5. NEW SECTION. **29D.1 Short title.**

33 This chapter shall be known and may be cited as the "*Natural*
34 *Hazard Mitigation Financing Program*".

35 Sec. 6. NEW SECTION. **29D.2 Definitions.**

1 As used in this chapter, unless the context otherwise
2 requires:

3 1. "Authority" means the Iowa finance authority created in
4 section 16.1A.

5 2. "Cost" means all costs or indebtedness incurred by a loan
6 recipient and determined by the department as reasonable and
7 necessary for carrying out all work necessary or incidental to
8 the accomplishment of a project.

9 3. "Department" means the department of homeland security and
10 emergency management.

11 4. "Director" means the director of the department of
12 homeland security and emergency management.

13 5. "Eligible entity" means a person that is eligible under
14 the STORM Act to receive a loan under the program.

15 6. "Fund" means the natural hazard mitigation revolving loan
16 fund created in section 29D.4.

17 7. "Loan recipient" means an eligible entity that has
18 received a loan from the fund.

19 8. "Municipality" means a city, county, sanitary district,
20 state agency, or other governmental body or corporation, or any
21 combination of two or more governmental bodies or corporations
22 acting jointly, in connection with a project.

23 9. "Private entity" means a corporation, limited liability
24 company, trust, estate, partnership, association, or any other
25 legal entity or a legal representative, agent, officer, employee,
26 or assignee of such entity. "Private entity" does not include
27 any of the following:

28 a. An individual, municipality, or city utility as that term
29 is defined in section 362.2.

30 b. A public water supply system as defined in section
31 455B.171.

32 c. A qualified entity as defined in section 384.84,
33 subsection 2.

34 10. "Program" means the natural hazard mitigation financing
35 program created in section 29D.3.

1 11. *a.* "Project" means an activity or set of activities, in
2 accordance with the limitations set forth in the STORM Act, that
3 mitigate the impact of natural hazards, including but not limited
4 to:

5 (1) Drought and prolonged episodes of intense heat.

6 (2) Severe storms, including tornadoes, windstorms, and
7 severe winter storms.

8 (3) Wildfires.

9 (4) Earthquakes.

10 (5) Flooding.

11 (6) Shoreline erosion.

12 (7) High water levels.

13 (8) Storm surges.

14 *b.* "Project" may include but is not limited to any of the
15 following:

16 (1) The construction, repair, or replacement of a nonfederal
17 levee or other flood control structure, provided that the
18 administrator of the federal emergency management agency, in
19 consultation with the United States army corps of engineers, if
20 appropriate, requires an eligible entity to determine that such
21 levee or other flood control structure is designed, constructed,
22 and maintained in accordance with sound engineering practices
23 and standards equivalent to the purpose for which such levee or
24 structure is intended.

25 (2) Zoning and land use planning changes.

26 (3) Establishing and enforcing building codes.

27 12. "*Safeguarding tomorrow through ongoing risk mitigation*
28 *Act*", or "*STORM Act*", means the federal Robert T. Stafford
29 Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288,
30 as amended, 42 U.S.C. §5121 et seq.

31 Sec. 7. NEW SECTION. **29D.3 Natural hazard mitigation**
32 **financing program.**

33 1. The natural hazard mitigation financing program is created
34 for the purpose of making loans available to eligible entities to
35 finance all or part of the costs of a project.

1 2. The program shall be a joint and cooperative undertaking
2 of the department and the authority. The department and
3 the authority may enter into any agreements, documents,
4 instruments, certificates, data, or information as necessary
5 for the operation, administration, and financing of the program
6 consistent with this chapter, chapter 16, subchapter X, part
7 11, the STORM Act, the rules promulgated under chapter 17A
8 by the department in consultation with the authority, and any
9 other applicable federal or state laws. The authority and the
10 department may act to conform the program to the applicable
11 guidance and regulations adopted by the federal emergency
12 management agency.

13 Sec. 8. NEW SECTION. **29D.4 Natural hazard mitigation**
14 **revolving loan fund.**

15 1. A natural hazard mitigation revolving loan fund is created
16 in the state treasury under the control of the department
17 in consultation with the authority. The revolving loan fund
18 is a separate dedicated fund under the administration and
19 control of the department in consultation with the authority and
20 shall be subject to section 16.31. Moneys on deposit in the
21 revolving loan fund shall be invested by the treasurer of state
22 in cooperation with the department, in consultation with the
23 authority, and the income from the investments shall be credited
24 to and deposited in the revolving loan fund.

25 2. a. The fund shall consist of moneys appropriated by the
26 general assembly, moneys received by the fund through the federal
27 emergency management agency and the STORM Act, moneys received
28 as repayment of loan principal and interest from loans paid for
29 by the fund, and all other moneys received by the fund from
30 any other source. Notwithstanding section 8.33, moneys in the
31 fund that remain unencumbered or unobligated at the close of
32 the fiscal year shall not revert but shall remain available for
33 expenditure for the purposes designated. Notwithstanding section
34 12C.7, subsection 2, interest or earnings on moneys in the fund
35 shall be credited to the fund.

1 b. Moneys in the fund are appropriated to the department to
2 provide loans to eligible entities pursuant to section 29D.9, and
3 for administration of the program as permitted under the STORM
4 Act. Moneys in the fund shall not be used to provide a loan to
5 a private entity for the acquisition of real property. Moneys
6 in the fund shall not be considered part of the general fund
7 of the state subject to appropriation for any other purpose by
8 the general assembly, and in determining a general fund balance,
9 shall not be included in the general fund of the state subject to
10 section 16.31, insofar as section 16.31 complies with the STORM
11 Act.

12 Sec. 9. NEW SECTION. **29D.5 Director — powers and duties.**

13 The director shall do all of the following:

14 1. Process and review each intended use plan application
15 to determine if the intended use plan application meets the
16 eligibility requirements promulgated by the department by rule,
17 and approve or deny the application.

18 2. Process and review all documents relating to the planning,
19 design, construction, and operation of each project.

20 3. Prepare and process, in coordination with the authority,
21 documents relating to the administration of the program.

22 4. Prepare an annual budget for administration of the
23 program.

24 5. Receive program fees as determined in conjunction with the
25 authority.

26 6. Perform other acts and assume other duties and
27 responsibilities necessary for the administration of the program
28 and compliance with the STORM Act.

29 Sec. 10. NEW SECTION. **29D.6 Intended use plans —**
30 **capitalization grants — accounting.**

31 1. For the fiscal year beginning July 1, 2025, and each
32 fiscal year thereafter, the department may prepare and deliver
33 intended use plans to, and enter into capitalization grant
34 agreements with, the administrator of the federal emergency
35 management agency under the terms and conditions set forth

1 in the STORM Act and federal regulations adopted pursuant to
2 the STORM Act, and may accept capitalization grants for the
3 fund in accordance with payment schedules established by the
4 administrator. All payments from the administrator shall be
5 deposited into the fund.

6 2. The department, in consultation with the authority,
7 shall establish fiscal controls and accounting procedures during
8 appropriate accounting periods for payments received for deposit
9 into, and disbursements made from, the fund, and to fund balances
10 at the beginning and end of an accounting period.

11 Sec. 11. NEW SECTION. **29D.7 Authority — loan application**
12 **review and approval.**

13 1. The department and the authority shall review each loan
14 application to determine if the applicant is an eligible entity
15 and qualifies for a loan pursuant to eligibility requirements
16 established by rule promulgated by the department and the
17 authority, and in accordance with the intended use plan
18 applications approved by the director under section 29D.6.

19 2. The authority, in cooperation with the department, shall
20 determine the interest rate and repayment terms for each loan
21 made under the program and the authority shall enter into a loan
22 agreement with each loan recipient in compliance with the Clean
23 Water Act as defined in section 455B.291, the Safe Drinking Water
24 Act as defined in section 455B.291, the STORM Act, and any other
25 applicable state or federal law.

26 3. The authority may charge loan recipients fees and assess
27 costs as deemed necessary by the authority for the continued
28 operation of the program. Fees and costs collected pursuant
29 to this subsection shall be deposited in the fund described in
30 section 29D.4.

31 Sec. 12. NEW SECTION. **29D.8 Loans to eligible entities.**

32 1. Moneys deposited in the fund shall be used for the
33 primary purpose of making loans to eligible entities to finance
34 eligible costs of projects in accordance with the intended use
35 plans prepared and delivered to the administrator of the federal

1 emergency management system by the department under section
2 29D.6. The loan recipients and the purpose and amount of the
3 loans shall be determined by the director, in compliance with the
4 STORM Act and other applicable federal law, and any resolution,
5 agreement, indenture, or other document of the authority, and
6 rules adopted by the authority relating to any bonds, notes, or
7 other obligations issued for the program which may be applicable
8 to the loan.

9 2. Notwithstanding any provision of this chapter to the
10 contrary, moneys received under the federal American Recovery
11 and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited
12 in the fund may be used in any manner permitted or required by
13 applicable federal law.

14 Sec. 13. NEW SECTION. **29D.9 Rules.**

15 The department, in consultation with the authority, shall
16 adopt rules pursuant to chapter 17A to administer this chapter.

17 Sec. 14. Section 422.7, subsection 2, Code 2025, is amended
18 by adding the following new paragraph:

19 NEW PARAGRAPH. u. Natural hazard mitigation financing
20 program bonds pursuant to section 16.232, subsection 4.

21 Sec. 15. CODE EDITOR DIRECTIVE. The Code editor shall
22 designate sections 16.230 through 16.233, as enacted in this
23 division of this Act, as part 11 of chapter 16, subchapter X,
24 entitled "Natural Hazard Mitigation Financing Program".

25 DIVISION II

26 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM

27 Sec. 16. Section 16.57B, subsection 1, paragraph a, Code
28 2025, is amended to read as follows:

29 a. "*Disaster-affected home*" means a primary residence that is
30 destroyed or damaged due to a natural disaster that occurs on
31 or after June 16, 2021, and the primary residence is located in
32 a county that is the subject of a state of disaster emergency
33 proclamation by the governor that authorizes disaster recovery
34 housing assistance. The state of disaster emergency proclamation
35 shall specify if disaster recovery housing assistance is

1 available to homeowners, renters, or both homeowners and renters.

2 Sec. 17. Section 16.57B, subsection 1, Code 2025, is amended
3 by adding the following new paragraph:

4 NEW PARAGRAPH. *Ob.* "Financial assistance" means assistance
5 provided only from the funds, rights, and assets legally
6 available to the authority pursuant to this chapter and includes
7 but is not limited to assistance in the form of grants, loans,
8 and forgivable loans.

9 Sec. 18. Section 16.57B, subsection 2, paragraph a,
10 subparagraph (1), Code 2025, is amended to read as follows:

11 (1) A disaster recovery housing assistance fund is created
12 within the authority. The moneys in the fund shall be used by
13 the authority ~~for the development and operation of a forgivable~~
14 ~~loan and grant program for to~~ award financial assistance to
15 homeowners and renters with disaster-affected homes, and for the
16 eviction prevention program pursuant to section 16.57C.

17 Sec. 19. Section 16.57B, subsection 2, paragraph c, Code
18 2025, is amended to read as follows:

19 c. The authority shall not use more than five percent of
20 the moneys in deposited into the fund ~~on July 1 of a fiscal~~
21 ~~year under paragraph "b" for purposes of administrative costs and~~
22 ~~other program support during the fiscal year.~~

23 Sec. 20. Section 16.57B, subsection 3, paragraph a, Code
24 2025, is amended to read as follows:

25 a. The authority shall establish and administer a disaster
26 recovery housing assistance program and shall use moneys
27 in the fund to award ~~forgivable loans~~ financial assistance
28 to eligible homeowners and ~~grants to~~ eligible renters of
29 disaster-affected homes. Moneys in the fund may be expended
30 following a state of disaster emergency proclamation by the
31 governor pursuant to section 29C.6 that authorizes disaster
32 recovery housing assistance. The governor, by state of disaster
33 emergency proclamation, shall specify if disaster recovery
34 housing assistance is available to homeowners, renters, or both
35 homeowners and renters.

1 Sec. 21. Section 16.57B, subsections 4, 5, 6, and 7, Code
2 2025, are amended to read as follows:

3 4. ~~Registration required. To be considered for a forgivable~~
4 ~~loan or grant under the program, a~~ A homeowner or renter ~~must~~
5 may register for the disaster case advocacy program established
6 pursuant to section 29C.20B. The disaster case manager may
7 refer the homeowner or renter to the appropriate local program
8 administrator.

9 5. *Homeowners.*

10 a. To be eligible for a ~~forgivable loan~~ financial assistance
11 under the program, all of the following requirements shall apply:

12 (1) The homeowner's disaster-affected home must have
13 sustained damage greater than the damage that is covered by the
14 homeowner's property and casualty insurance policy insuring the
15 home plus any other state or federal disaster-related financial
16 assistance that the homeowner is eligible to receive.

17 (2) A local official must either deem the disaster-affected
18 home suitable for rehabilitation or damaged beyond reasonable
19 repair.

20 (3) The disaster-affected home is not eligible for buyout by
21 the county or city where the disaster-affected home is located,
22 or the disaster-affected home is eligible for a buyout by the
23 county or city where the disaster-affected home is located,
24 but the homeowner is requesting a ~~forgivable loan~~ financial
25 assistance for the repair or rehabilitation of the homeowner's
26 disaster-affected home in lieu of a buyout.

27 (4) ~~Assistance~~ Financial assistance under the program must
28 not duplicate benefits provided by any local, state, or federal
29 disaster recovery assistance program.

30 b. ~~If a homeowner is referred to the authority or to a~~
31 ~~local program administrator by the disaster case manager of~~
32 ~~the homeowner, the~~ The authority may award a ~~forgivable loan~~
33 financial assistance to the eligible homeowner for any of the
34 following purposes:

35 (1) Repair or rehabilitation of the disaster-affected home.

1 The disaster-affected home to be repaired or rehabilitated shall
2 not be located in a one-hundred-year floodplain.

3 (2) (a) Down payment assistance on the purchase of
4 replacement housing, and the cost of reasonable repairs to be
5 performed on the replacement housing to render the replacement
6 housing decent, safe, sanitary, and in good repair.

7 (b) Replacement housing shall not be located in a
8 one-hundred-year floodplain.

9 (c) For purposes of this subparagraph, "*decent, safe,*
10 *sanitary, and in good repair*" means the same as described in 24
11 C.F.R. §5.703.

12 c. The authority shall determine the interest rate for ~~the~~
13 any financial assistance awarded in the form of a loan or a
14 forgivable loan.

15 d. If a homeowner who has been awarded a loan or a forgivable
16 loan sells a disaster-affected home or replacement housing for
17 which the homeowner received the loan or forgivable loan prior
18 to the end of the loan term, the remaining principal on the loan
19 or forgivable loan shall be due and payable pursuant to rules
20 adopted by the authority.

21 6. *Renters.*

22 a. To be eligible for ~~a grant~~ financial assistance under the
23 program, all of the following requirements shall apply:

24 (1) A local program administrator either deems the
25 disaster-affected home of the renter suitable for rehabilitation
26 but unsuitable for current short-term habitation, or the
27 disaster-affected home is damaged beyond reasonable repair.

28 (2) ~~Assistance~~ Financial assistance under the program must
29 not duplicate benefits provided by any local, state, or federal
30 disaster recovery assistance program.

31 ~~b. If a renter is referred to the authority or to a local~~
32 ~~program administrator by the disaster case manager of the renter,~~
33 ~~the~~ The authority may award ~~a grant~~ financial assistance to the
34 eligible renter to provide short-term financial assistance for
35 the payment of rent for replacement housing.

1 7. Report. On or before January 31 of each year, or as part
2 of the annual report under section 16.7, the authority shall
3 submit a report to the general assembly that identifies all of
4 the following for the calendar year immediately preceding the
5 year of the report:

6 a. The date of each state of disaster emergency proclamation
7 by the governor that authorized disaster recovery housing
8 assistance under this section, and if disaster recovery housing
9 assistance was made available to homeowners, renters, or both
10 homeowners and renters.

11 b. The total number of ~~forgivable loans and grants~~ financial
12 assistance awards awarded.

13 c. The total number of ~~forgivable loans~~ financial assistance
14 awards, and the amount of each ~~loan~~ financial assistance award
15 awarded for repair or rehabilitation.

16 d. The total number of ~~forgivable loans~~ financial assistance
17 awards, and the amount of each ~~loan~~ financial assistance
18 award, awarded for down payment assistance on the purchase of
19 replacement housing and the cost of reasonable repairs to be
20 performed on the replacement housing to render the replacement
21 housing decent, safe, sanitary, and in good repair.

22 e. The total number of grants, and the amount of each grant,
23 awarded for rental assistance.

24 f. The total number of loans, forgivable loans, and grants
25 awarded in each county in which at least one homeowner or renter
26 has been awarded a loan, forgivable loan, or grant.

27 g. Each local program administrator involved in the
28 administration of the program.

29 h. The total amount of loan and forgivable loan principal
30 repaid.

31 Sec. 22. Section 16.57D, subsections 1 and 2, Code 2025, are
32 amended to read as follows:

33 1. Establish the maximum loan, forgivable loan, and grant
34 amounts awarded under the program.

35 2. Establish the terms of any loan or forgivable loan

1 provided under the program.

2 DIVISION III

3 DISASTER RECOVERY NEW HOUSING PROGRAM

4 Sec. 23. Section 422.7, Code 2025, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 45. a. Subtract, to the extent included,
7 the amount of any qualifying state disaster recovery new housing
8 grant issued to an individual or business by the economic
9 development authority.

10 b. For purposes of this subsection, "*qualifying state*
11 *disaster recovery new housing grant*" means an award of a state
12 disaster recovery new housing grant that was applied for between
13 August 20, 2024, and December 31, 2024, and approved and issued
14 by the economic development authority.

15 Sec. 24. Section 422.35, Code 2025, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 14. a. Subtract, to the extent included,
18 the amount of any qualifying state disaster recovery new housing
19 grant issued to a business by the economic development authority.

20 b. For purposes of this subsection, "*qualifying state*
21 *disaster recovery new housing grant*" means an award of a state
22 disaster recovery new housing grant that was applied for between
23 August 20, 2024, and December 31, 2024, and approved and issued
24 by the economic development authority.

25 Sec. 25. EFFECTIVE DATE. This division of this Act, being
26 deemed of immediate importance, takes effect upon enactment.

27 Sec. 26. RETROACTIVE APPLICABILITY. This division of this
28 Act applies retroactively to tax years beginning on or after
29 January 1, 2024.

30 DIVISION IV

31 POST-LOSS ASSIGNMENT OF BENEFITS — RESIDENTIAL CONTRACTOR

32 Sec. 27. Section 507B.4, subsection 3, Code 2025, is amended
33 by adding the following new paragraph:

34 NEW PARAGRAPH. v. *Post-loss assignment of benefits.* Any
35 violation of section 515.137A by a residential contractor.

1 Sec. 28. Section 515.137A, subsection 2, Code 2025, is
2 amended by adding the following new paragraphs:

3 NEW PARAGRAPH. 0b. "*Catastrophic disaster*" includes a major
4 disaster declaration by the president of the United States or a
5 state of disaster emergency proclamation by the governor.

6 NEW PARAGRAPH. 00b. "*Consumer advocate*" means a consumer
7 advocate appointed pursuant to section 505.8, subsection 6,
8 paragraph "b", subparagraph (1).

9 NEW PARAGRAPH. 000b. "*Post-loss assignment*" means any
10 instrument by which post-loss benefits, rights, or duties of
11 a named insured under a residential property and casualty
12 insurance policy are assigned or transferred to a residential
13 contractor. The post-loss assignment must only assign the
14 insurance proceeds a named insured is entitled to receive
15 from the named insured's insurer for the repair, replacement
16 construction, or reconstruction of the named insured's property.

17 Sec. 29. Section 515.137A, subsections 3, 4, and 5, Code
18 2025, are amended by striking the subsections and inserting in
19 lieu thereof the following:

20 3. A residential contractor shall be prohibited from all of
21 the following under a post-loss assignment by a named insured to
22 the residential contractor:

23 a. Rebating or offering to rebate any portion of the named
24 insured's insurance deductible as an inducement for the named
25 insured to purchase a good or service.

26 b. Imposing an administrative fee on the named insured for
27 canceling the post-loss assignment, or imposing a fee to process
28 the insurance check or to interact with the named insured's
29 mortgage company.

30 c. Acting as a public adjuster without being licensed under
31 chapter 522C.

32 d. Receiving payments from the named insured's insurer that
33 are unrelated to the repair, replacement construction, or
34 reconstruction work on the covered insured's property, including
35 but not limited to all of the following:

1 (1) Additional living expenses.

2 (2) Loss of use.

3 4. a. A post-loss assignment must include all of the
4 following:

5 (1) An itemized description of the work to be performed.

6 (2) An itemized description of the materials, labor, and fees
7 for the work to be performed.

8 (3) A total itemized amount to be paid for the work to be
9 performed.

10 (4) A statement that the residential contractor has made
11 no assurances that the claimed loss will be fully covered by
12 the named insured's insurance contract and shall include the
13 following notice in capitalized fourteen point type:

14 YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER
15 YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND THIS DOCUMENT
16 BEFORE SIGNING.

17 THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN
18 THIS ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER. THE
19 INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR
20 REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL. POST-LOSS
21 ASSIGNMENTS ARE SUBJECT TO THE AUTHORITY OF THE IOWA INSURANCE
22 DIVISION. YOU MAY FILE A COMPLAINT WITH THE DIVISION ON THE
23 DIVISION'S INTERNET SITE OR CALL THE DIVISION AT (telephone
24 number).

25 (5) In capitalized fourteen point type and located in the
26 immediate proximity of the space reserved in the assignment for
27 the signature of the named insured, the following notice:

28 YOU MAY CANCEL THIS POST-LOSS ASSIGNMENT FOR ANY REASON
29 WITHOUT PENALTY WITHIN FIVE (5) BUSINESS DAYS FROM THE LATER
30 OF THE DATE THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED OR THE
31 DATE ON WHICH YOU RECEIVE A COPY OF THE FULLY EXECUTED POST-LOSS
32 ASSIGNMENT. IF MAILED, THE CANCELLATION MUST BE POSTMARKED
33 BEFORE THE FIVE (5) BUSINESS DAY DEADLINE.

34 YOU MUST CANCEL THE POST-LOSS ASSIGNMENT IN WRITING AND
35 THE CANCELLATION MUST BE DELIVERED TO (name and address

1 of residential contractor as provided by the residential
2 contractor). IF THE ASSIGNEE HAS NOT BEGUN SUBSTANTIALLY
3 PERFORMING WORK ON THE PROPERTY, YOU MAY CANCEL THIS POST-LOSS
4 ASSIGNMENT WITHOUT PENALTY AFTER AT LEAST THIRTY (30) CALENDAR
5 DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO
6 COMMENCE, OR AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER
7 THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED IF THE POST-LOSS
8 ASSIGNMENT DOES NOT CONTAIN A COMMENCEMENT DATE.

9 IF YOU CANCEL THIS POST-LOSS ASSIGNMENT, THE RESIDENTIAL
10 CONTRACTOR HAS UP TO TEN (10) BUSINESS DAYS TO RETURN ALL
11 PAYMENTS OR DEPOSITS YOU HAVE MADE.

12 (6) A provision that requires the assignee to indemnify and
13 hold harmless the assignor from liabilities, damages, losses, and
14 costs, including but not limited to attorney fees related to the
15 loss claim.

16 b. A post-loss assignment shall not impair the interest of
17 a mortgagee listed on the declarations page of the property and
18 casualty insurance policy that is the subject of the post-loss
19 assignment. All mortgagees shall be named as a co-payee for
20 the payment of benefits under a property and casualty insurance
21 policy covering residential real estate.

22 c. A post-loss assignment shall only authorize a residential
23 contractor to be named as a co-payee, along with the named
24 insured and all mortgagees, for the payment of benefits under a
25 property and casualty insurance policy covering residential real
26 estate.

27 d. A post-loss assignment shall not prevent or inhibit an
28 insurer from communicating with the named insured or a mortgagee
29 listed on the declarations page of the property and casualty
30 insurance policy that is the subject of the post-loss assignment.

31 e. An electronic copy of the fully executed post-loss
32 assignment shall be provided to the insurer of the residential
33 real estate, the named insured, and all mortgagees of the damaged
34 residential real estate within five business days after execution
35 of the post-loss assignment. A paper copy shall be provided to

1 the insurer, a named insured, and any mortgagee of the damaged
2 residential real estate within five business days of a request by
3 the insurer, the named insured, or a mortgagee.

4 f. A residential contractor named in a post-loss assignment
5 must cooperate with the insurer of the damaged residential
6 real estate in a claim investigation by providing documents
7 and records requested by the insurer and complying with each
8 post-loss duty included in the named insured's insurance policy.

9 5. a. A named insured shall have the right to cancel a
10 post-loss assignment without penalty or fee under all of the
11 following circumstances:

12 (1) For any reason within five business days from the date
13 on which the named insured receives a copy of the fully executed
14 post-loss agreement.

15 (2) The assignee has not substantially performed work on the
16 property that is the subject of the post-loss assignment at least
17 thirty calendar days after the date work on the property was
18 scheduled to commence.

19 (3) The assignee has not begun substantial work on the
20 property that is the subject of the post-loss assignment at
21 least thirty calendar days after the date the insured received a
22 fully executed copy of the executed post-loss assignment and the
23 post-loss assignment does not contain a commencement date.

24 b. The cancellation shall be made in writing. Within ten
25 business days of the date of the written cancellation, the
26 residential contractor shall tender to the named insured, the
27 landowner, or the possessor of the real estate, all payments,
28 partial payments, or deposits that have been made by such person.

29 6. Any written contract, repair estimate, or work order
30 prepared by a residential contractor to provide goods or services
31 to be paid from the proceeds of a property and casualty insurance
32 policy pursuant to a post-loss assignment shall include, in
33 capitalized fourteen point type, the notice as provided in
34 section 103A.71, subsection 4, paragraph "a", which shall be
35 signed by the named insured, and sent to the named insured's

1 insurer prior to payment to the residential contractor of
2 proceeds under the applicable insurance policy.

3 7. For a minimum of seventy-two hours following a
4 catastrophic disaster, a residential contractor shall not enter
5 into a contract with an insured that includes a post-loss
6 assignment. If the commissioner deems the severity of the
7 catastrophic disaster to have placed people under duress, the
8 commissioner shall immediately dispatch the consumer advocate
9 and other personnel to the disaster area to provide consumer
10 guidance. If, after a public hearing, the commissioner
11 determines that, due to the scope and severity of the
12 catastrophic disaster, additional time is necessary to safely
13 deploy additional consumer protection resources, the commissioner
14 may extend the time period that a residential contractor shall
15 not enter into a contract with an insured that includes a
16 post-loss assignment for an additional seventy-two hours.

17 8. A post-loss assignment entered into with a residential
18 contractor shall be void if the residential contractor violates
19 this section.

20 9. A violation of this section by a residential contractor
21 shall be an unfair practice pursuant to section 507B.4.

22 10. If any provision of this section or the application
23 thereof to any person or circumstance is held invalid, the
24 invalidity does not affect other provisions or applications of
25 this section which can be given effect without the invalid
26 provision or application, and to this end the provisions of this
27 section are severable.

28 DIVISION V

29 PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS

30 Sec. 30. Section 507B.4, subsection 3, Code 2025, is amended
31 by adding the following new paragraph:

32 NEW PARAGRAPH. v. *Adjuster financial responsibility.*
33 Failure of an adjuster to comply with section 522C.7.

34 Sec. 31. Section 522B.5A, subsection 2, paragraphs c and e,
35 Code 2025, are amended to read as follows:

1 c. A renewal, reinstatement, or reissuance of a license if
2 the license of a producer has been revoked or suspended pursuant
3 to section 522B.11, the license of a ~~public~~ an adjuster has been
4 revoked or suspended pursuant to section ~~522C.6~~ 522C.13, or the
5 license of a viatical settlement provider or viatical settlement
6 broker has been revoked or suspended pursuant to section 508E.4.

7 e. An initial license as a ~~public~~ an adjuster in this state.

8 Sec. 32. Section 522C.1, Code 2025, is amended to read as
9 follows:

10 **522C.1 Purpose.**

11 The purpose of this chapter is to govern the qualifications
12 and procedures for licensing ~~public~~ adjusters in this state, and
13 to specify the duties of and restrictions on public adjusters,
14 including limitation of such licensure to assisting insureds only
15 with first-party claims.

16 Sec. 33. Section 522C.2, Code 2025, is amended by striking
17 the section and inserting in lieu thereof the following:

18 **522C.2 Definitions.**

19 As used in this chapter, unless the context otherwise
20 requires:

21 1. "Adjuster" means a public adjuster, an independent
22 adjuster, or a licensed staff adjuster. A person that acts as
23 an adjuster solely for a crop hail insurance or a multiperil crop
24 insurance claim shall not be subject to this chapter.

25 2. "Amount of loss" means the monetary amount determined to
26 be necessary to properly repair or replace damage related to a
27 covered peril, and is limited to all applicable coverages for
28 covered items associated with the claim.

29 3. "Business entity" means a corporation, association,
30 partnership, limited liability company, limited liability
31 partnership, or any other legal entity.

32 4. a. "Catastrophic disaster" means an event that results in
33 all of the following:

34 (1) A large number of deaths or injuries.

35 (2) Extensive damage or destruction of facilities that

1 provide and sustain human needs.

2 (3) An overwhelming demand on state and local response
3 resources and mechanisms.

4 (4) A severe long-term effect on general economic activity.

5 (5) A severe effect on state, local, and private sector
6 capabilities to commence and sustain disaster response
7 activities.

8 b. "*Catastrophic disaster*" includes a major disaster
9 declaration by the president of the United States or a state of
10 disaster emergency proclamation by the governor.

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

12 6. "*Consumer advocate*" means a consumer advocate appointed
13 pursuant to section 505.8, subsection 6, paragraph "b",
14 subparagraph (1).

15 7. "*Disciplinary matter*" means but is not limited to a person
16 who is the subject of an investigation, complaint, or pending
17 administrative action in this state or any other state.

18 8. "*Financial interest*" means but is not limited to a fee,
19 commission, or other valuable consideration.

20 9. "*First-party claim*" means a claim filed by a named insured
21 under an insurance policy against which the claim is made.

22 10. "*Home state*" means the District of Columbia, or any state
23 or territory of the United States in which an adjuster maintains
24 the adjuster's principal place of residence or principal place of
25 business.

26 11. "*Independent adjuster*" means a person who does all of the
27 following:

28 a. Contracts for compensation with insurers or self-insurers,
29 and is treated by the insurer or self-insurer as an independent
30 contractor and not as an employee as that term is described in 26
31 C.F.R. §31.3121(d)(1).

32 b. Investigates, negotiates, or settles property, casualty,
33 or workers' compensation claims for insurers or for
34 self-insurers.

35 12. "*Insured*" means a person covered under an insurance

1 policy against which a claim is made.

2 13. "NAIC" means the national association of insurance
3 commissioners.

4 14. "NIPR gateway" means the communication network developed
5 and operated by the national insurance producer registry that
6 links state insurance regulators with regulated entities to
7 facilitate the electronic exchange of adjuster information,
8 including but not limited to license applications, license
9 renewals, appointments, and terminations.

10 15. "Person" means an individual or a business entity.

11 16. "Producer database" means the national database of
12 insurance producers maintained by the NAIC.

13 17. "Public adjuster" means a person who, for compensation or
14 other thing of value, does any of the following:

15 a. Acts for or aids an insured in negotiating or affecting
16 the settlement of a first-party claim for loss or damage to real
17 or personal property of an insured.

18 b. Advertises for employment as a public adjuster of
19 first-party insurance claims or otherwise solicits business or
20 represents to the public that the person is a public adjuster
21 of first-party insurance claims for loss or damage to real or
22 personal property of an insured.

23 c. Directly or indirectly solicits business investigating or
24 adjusting losses, or advising an insured about first-party claims
25 for loss or damage to real or personal property of the insured.

26 18. "Reinstatement" means the reinstatement of a suspended
27 license which was suspended in connection with a disciplinary
28 matter, and that has not expired or been terminated during the
29 suspension period.

30 19. "Reissuance" means the issuance of a new license
31 following the revocation of a license, the suspension and
32 subsequent termination of a license, or the forfeiture of a
33 license in connection with a disciplinary matter.

34 20. "Staff adjuster" means a person who is directly employed
35 by an insurer or self-insurer to investigate, negotiate, or

1 settle property, casualty, or workers' compensation claims.

2 21. "Uniform business entity application" means the most
3 recent version of NAIC's uniform application for business entity
4 license and registration.

5 22. "Uniform individual application" means the most recent
6 version of NAIC's uniform application for individual adjuster or
7 apprentice license and registration.

8 Sec. 34. Section 522C.3, Code 2025, is amended by striking
9 the section and inserting in lieu thereof the following:

10 **522C.3 Authority of the commissioner.**

11 The commissioner may adopt rules pursuant to chapter 17A
12 as necessary to administer and enforce this chapter, which may
13 include but are not limited to all of the following:

- 14 1. Advertising standards.
- 15 2. Continuing education requirements for licensees.
- 16 3. Contracts between public adjusters and insureds.
- 17 4. Required disclosures by licensees.
- 18 5. Examinations for licensure.
- 19 6. Exemptions.
- 20 7. License bonds, and errors and omissions insurance
21 requirements.
- 22 8. License requirements and exclusions.
- 23 9. Prohibited practices.
- 24 10. Record retention requirements.
- 25 11. Reporting requirements.
- 26 12. Requirements and limitations on fees charged by public
27 adjusters.
- 28 13. Standards for reasonableness of payment.
- 29 14. Standards of conduct.
- 30 15. Penalties.

31 Sec. 35. Section 522C.4, Code 2025, is amended by striking
32 the section and inserting in lieu thereof the following:

33 **522C.4 License required.**

34 1. A person shall not act as, or represent that the person
35 is, a public adjuster or an independent adjuster in this state

1 unless the person is licensed under this chapter.

2 2. A license as an adjuster shall not be required of any of
3 the following:

4 a. A staff adjuster; however, staff adjusters shall comply
5 with all other provisions of this chapter not including section
6 522C.7.

7 b. An attorney licensed to practice law in the state when
8 acting within their professional capacity as an attorney.

9 c. A person employed only for the purpose of obtaining
10 facts surrounding a loss, or furnishing technical assistance
11 to a licensed adjuster, including but not limited to a
12 photographer, estimator, private investigator, engineer, and
13 handwriting expert.

14 Sec. 36. Section 522C.5, Code 2025, is amended by striking
15 the section and inserting in lieu thereof the following:

16 **522C.5 Application for license.**

17 1. A person applying for an adjuster license shall complete
18 a uniform individual application or a uniform business entity
19 application through the NIPR gateway or as otherwise prescribed
20 by the commissioner.

21 2. To determine an applicant's eligibility for licensure, the
22 commissioner may require a criminal history check pursuant to
23 section 522B.5A.

24 Sec. 37. NEW SECTION. **522C.5A Individual applicants —**
25 **resident adjuster.**

26 Prior to approving an individual's application for a resident
27 adjuster license, the commissioner shall find that the applicant
28 meets all of the following requirements:

29 1. This state is the applicant's home state.

30 2. The applicant has not committed any act that is a ground
31 for denial, suspension, or revocation of a license under section
32 522C.13.

33 3. The applicant has the requisite character and competence
34 to be licensed as an adjuster, as may be determined by the
35 commissioner.

1 4. The applicant is financially responsible pursuant to
2 section 522C.7.

3 5. The applicant has paid all fees required under this
4 chapter.

5 6. The applicant maintains an office in the applicant's home
6 state with public access by reasonable appointment or regular
7 business hours.

8 7. The applicant is at least eighteen years of age.

9 8. The applicant successfully passed the adjuster examination
10 pursuant to section 522C.8.

11 9. The applicant submitted contracts and any subsequent
12 contract modification to the commissioner for review and approval
13 prior to use. A contract that has been filed is deemed to
14 be approved unless disapproved or additional information is
15 requested by the commissioner within thirty calendar days of
16 receipt of the filing by the commissioner.

17 10. The applicant has obtained any necessary authority from
18 the secretary of state to transact business in this state.

19 **Sec. 38. NEW SECTION. 522C.5B Individual applicants —**
20 **nonresident adjuster.**

21 Before approving a nonresident applicant's application for
22 a nonresident adjuster license, the commissioner shall find
23 that the nonresident applicant meets all of the following
24 requirements:

25 1. The nonresident applicant has not committed any act that
26 is a ground for denial, suspension, or revocation of a license
27 under section 522C.13.

28 2. The nonresident applicant is licensed as a resident
29 adjuster and in good standing in the nonresident applicant's
30 home state. If the nonresident applicant's resident license
31 in the nonresident applicant's home state terminates for any
32 reason, a license issued to a nonresident applicant under this
33 section shall become inactive, unless the termination is due to
34 the nonresident applicant being issued a new resident adjuster
35 license in the nonresident applicant's home state and the home

1 state has reciprocity with this state.

2 3. The nonresident applicant has submitted a request for
3 licensure to the division in a form and manner prescribed by the
4 commissioner.

5 4. The nonresident applicant has the requisite character and
6 competence to be licensed as an adjuster, as may be determined by
7 the commissioner.

8 5. The nonresident applicant is financially responsible
9 pursuant to section 522C.7.

10 6. The nonresident applicant has paid all fees required under
11 this chapter.

12 7. The nonresident applicant has obtained any necessary
13 authority from the Iowa secretary of state to transact business
14 in this state.

15 8. The nonresident applicant filed contracts with the
16 commissioner for review and approval prior to use. A contract
17 that has been filed is deemed to be approved unless disapproved
18 or additional information is requested by the commissioner
19 within thirty calendar days of receipt of the filing by the
20 commissioner.

21 9. The nonresident applicant successfully passed the adjuster
22 examination pursuant to section 522C.8.

23 Sec. 39. **NEW SECTION. 522C.5C Business applicants —**
24 **resident public adjuster or independent adjuster.**

25 Prior to approving a business entity's application for a
26 license for a resident public adjuster or resident independent
27 adjuster, the commissioner shall find that the business entity
28 meets all of the following requirements:

29 1. The business entity has designated an individual adjuster
30 licensed in this state to be responsible for the business
31 entity's compliance with the insurance laws and administrative
32 rules of this state.

33 2. The business entity has not committed any act that is a
34 ground for denial, suspension, or revocation of a license under
35 section 522C.13.

1 3. The business entity has the requisite character and
2 competence to be licensed as an adjuster, as may be determined
3 by the commissioner.

4 4. The business entity is financially responsible pursuant to
5 section 522C.7.

6 5. The business entity has paid all fees required under this
7 chapter.

8 6. The business entity maintains an office in the business
9 entity's home state with public access by reasonable appointment
10 or regular business hours.

11 7. The business entity submitted contracts and any subsequent
12 contract modification to the commissioner for review and approval
13 prior to use. A contract that has been filed is deemed to
14 be approved unless disapproved or additional information is
15 requested by the commissioner within thirty calendar days of
16 receipt of the filing by the commissioner.

17 8. The business entity has obtained any necessary authority
18 from the Iowa secretary of state to transact business in this
19 state.

20 Sec. 40. NEW SECTION. **522C.5D Business applicants —**
21 **nonresident business entity.**

22 Before approving a nonresident business entity's application
23 for a nonresident public adjuster license or a nonresident
24 independent adjuster license, the commissioner shall find that
25 the nonresident business entity meets all of the following
26 requirements:

27 1. The nonresident business applicant has designated an
28 individual adjuster licensed in this state to be responsible
29 for the nonresident business applicant's compliance with the
30 insurance laws and administrative rules of this state.

31 2. The nonresident business applicant has not committed any
32 act that is a ground for denial, suspension, or revocation of a
33 license under section 522C.13.

34 3. The nonresident business applicant has the requisite
35 character and competence to be licensed as an adjuster, as may

1 be determined by the commissioner.

2 4. The nonresident business applicant is financially
3 responsible pursuant to section 522C.7.

4 5. The nonresident business applicant has paid all fees
5 required under this chapter.

6 6. The nonresident business applicant maintains an office
7 in the nonresident business applicant's home state with public
8 access by reasonable appointment or regular business hours.

9 7. The nonresident business applicant submitted contracts and
10 any subsequent contract modification to the commissioner for
11 review and approval prior to use. A contract that has been
12 filed is deemed to be approved unless disapproved or additional
13 information is requested by the commissioner within thirty
14 calendar days of receipt of the filing by the commissioner.

15 8. The nonresident business applicant has obtained any
16 necessary authority from the Iowa secretary of state to transact
17 business in this state.

18 Sec. 41. Section 522C.6, Code 2025, is amended by striking
19 the section and inserting in lieu thereof the following:

20 **522C.6 Fees — license issuance, renewal, or reinstatement,**
21 **and examination.**

22 Fees for a license as an adjuster shall be as follows:

23 1. Any applicable fee for a criminal history check pursuant
24 to section 522B.5A.

25 2. The fee for issuance or renewal of an adjuster license is
26 fifty dollars for a consecutive twenty-four-month period.

27 3. The fee for reinstatement of an adjuster license is fifty
28 dollars.

29 4. The fee for a reinstatement or reissuance of an adjuster
30 license due to a disciplinary action under section 522C.15 is one
31 hundred dollars.

32 5. The commissioner may charge a reasonable fee for the
33 compilation and production of adjuster licensing records.

34 6. The fee for an examination under section 522C.8 may be set
35 by a third-party testing service under contract with the division

1 to administer the examination. The fee must be approved by the
2 division.

3 7. Fees shall be paid electronically through the NIPR
4 gateway.

5 Sec. 42. NEW SECTION. **522C.7 Financial responsibility.**

6 1. Prior to issuance of a license under section 522C.5A,
7 522C.5B, 522C.5C, or 522C.5D, an applicant shall secure evidence
8 of financial responsibility through a surety bond as prescribed
9 by the commissioner. The surety bond shall be executed and
10 issued by an insurer authorized to issue surety bonds in this
11 state and meet the following requirements:

12 a. The surety bond shall be a minimum of fifty thousand
13 dollars.

14 b. The surety bond shall be in favor of the state and
15 specifically authorize recovery by the commissioner on behalf of
16 any person in this state who sustains damages as the result of
17 an adjuster's erroneous act, failure to act, fraud, or unfair or
18 deceptive act or practice under section 507B.4.

19 c. The surety bond shall not be terminated without prior
20 written notice filed with the division a minimum of thirty
21 calendar days prior to termination.

22 2. The division may request that an adjuster provide evidence
23 of financial responsibility at any time the division deems
24 relevant.

25 3. An adjuster shall immediately notify the division if the
26 adjuster's evidence of financial responsibility terminates in
27 violation of subsection 1, paragraph "c", or becomes impaired,
28 and the adjuster's license shall become inactive until the
29 adjuster provides the division with evidence of financial
30 responsibility.

31 Sec. 43. NEW SECTION. **522C.8 Examination.**

32 1. An individual applying for a license under this chapter
33 shall pass a written examination, unless exempt pursuant to
34 section 522C.9. The examination shall test the knowledge of
35 the individual concerning the duties and responsibilities of an

1 adjuster and the insurance laws and administrative rules of this
2 state, and shall be conducted as prescribed by the division.

3 2. Each individual applying for examination shall remit the
4 examination fee under section 522C.6.

5 3. An individual who fails to appear for a scheduled
6 examination, or who fails to pass the examination, may reapply
7 for examination and must remit the required fee to be scheduled
8 for another examination.

9 4. The results of an examination shall be valid to submit
10 for licensure for ninety calendar days after the date of the
11 examination.

12 Sec. 44. NEW SECTION. 522C.9 Examination — exemption.

13 1. An individual who applies for a nonresident license
14 under this chapter and who was previously a licensed adjuster
15 in another state that required an examination that included
16 Iowa-specific statutes and administrative rules shall not be
17 required to apply for examination under section 522C.8.

18 2. An individual who relocates to this state and who was a
19 licensed adjuster in another state that required an examination
20 that included Iowa-specific statutes and administrative rules
21 shall not be required to apply for examination under section
22 522C.8 if the individual submits an application for a resident
23 adjuster license under section 522C.5A within ninety calendar
24 days of establishing legal residency, and any of the following
25 apply:

26 a. The individual is currently a licensed adjuster in the
27 state from which the applicant relocated.

28 b. The state from which the applicant relocated issues
29 a certification that the applicant is licensed and in good
30 standing.

31 c. The producer database records of the state from which the
32 applicant relocated, or records maintained by the NAIC or a NAIC
33 affiliate or subsidiary, indicate that the adjuster is currently
34 licensed or had been licensed, and is in good standing.

35 Sec. 45. NEW SECTION. 522C.10 Public adjuster and insured

1 — **contract for services.**

2 1. a. A public adjuster shall not provide services to an
3 insured until a written contract with the insured has been
4 executed on a form filed with and approved by the commissioner
5 pursuant to section 522C.5A, subsection 9, section 522C.5B,
6 subsection 8, section 522C.5C, subsection 7, or section 522C.5D,
7 subsection 7. The contract must have a heading that indicates
8 the contract is a public adjuster contract and must contain all
9 of the following:

10 (1) The full name, address, telephone number, and license
11 number of the public adjuster presenting and negotiating the
12 contract and, if applicable, the full name, address, telephone
13 number, and license number of the business entity the public
14 adjuster is associated with.

15 (2) The insured's full name, street address, insurance
16 company name, and, if known or upon notification, the insurance
17 policy number and claim number.

18 (3) A description of the insured's loss claim and the address
19 at which the loss is located, if applicable.

20 (4) A description of services to be provided by the public
21 adjuster on behalf of the insured.

22 (5) A signature of the public adjuster and of the insured,
23 and the date the public adjuster and the insured each signed the
24 contract.

25 (6) An attestation that the public adjuster has a surety bond
26 pursuant to section 522C.7.

27 (7) An explanation of the amount payable to the public
28 adjuster, and how the amount is calculated, which may include any
29 of the following:

30 (a) If an hourly rate, the contract shall state the hourly
31 rate and how the rate is applied to the hours of service provided
32 by the public adjuster to calculate the amount payable.

33 (b) If a flat fee, the contract must state the exact amount
34 payable to the public adjuster.

35 (c) If a percentage of settlement, the contract must state

1 the exact percentage applied to the settlement on the claim.

2 (d) If any other consideration, the contract must detail how
3 the amount payable is calculated or determined.

4 (8) A public adjuster may charge a reasonable fee that shall
5 not exceed any of the following:

6 (a) Fifteen percent of all claim payments approved by
7 the insurer for any noncatastrophic disaster insurance claim
8 settlement.

9 (b) Ten percent of all claim payments approved by the insurer
10 for any catastrophic disaster insurance claim settlement.

11 (9) That compensation for any reopened or supplemental claim
12 may not exceed the limitations set forth in the contract.

13 (10) That the insured has the right to agree to or reject
14 a loss settlement even if the public adjuster objects to the
15 insured's decision.

16 (11) The initial expenses of the public adjuster that will
17 be reimbursed from the proceeds of the claim payment shall be
18 specified by expense type, with reimbursement estimates set forth
19 in the contract. Any additional expenses for which the public
20 adjuster requests reimbursement shall be disclosed in writing
21 to the insured, and must be approved by the insured prior to
22 reimbursement.

23 (12) A statement that the public adjuster shall not render
24 services or perform acts that constitute the practice of law.

25 (13) A statement that the public adjuster shall not act on
26 behalf of or aid any person in negotiation or settlement of a
27 claim related to bodily injury, death, or noneconomic damages.

28 (14) The process for rescinding the contract, including the
29 date by which rescission of the contract by the public adjuster
30 or the insured must occur. The public adjuster shall provide
31 notice of the insured's rights under chapter 555A, and the
32 insured may rescind the contract as provided in chapter 555A. A
33 contract shall not be construed to prevent an insured from
34 pursuing a civil remedy after the revocation or cancellation
35 period. If the insured rescinds the contract, anything of value

1 given by the insured shall be returned to the insured within
2 fifteen business days following receipt of the cancellation
3 notice by the public adjuster.

4 b. A contract provision shall not be redacted in a copy of
5 the contract submitted to the commissioner. Such redaction shall
6 constitute a violation of this chapter, and shall be subject to
7 penalties under sections 522C.13 and 522C.14.

8 2. If the insurer, no later than five calendar days after
9 the date on which the insured's loss is reported to the insurer,
10 either pays or commits in writing to pay to the insured the
11 policy limit of the insured's insurance policy, the public
12 adjuster shall:

13 a. Inform the insured that the total amount of loss claimed
14 by the insured may not be agreed to by the insurer.

15 b. Only be entitled to reasonable compensation from the
16 insured for services provided on behalf of the insured based on
17 the time spent on the claim, and the expenses incurred by the
18 public adjuster, until the date the insurer pays the claim or
19 provides the insured with a written commitment that the insurer
20 will pay the claim.

21 3. A public adjuster contract shall not contain a provision
22 that does any of the following:

23 a. Allows the public adjuster's percentage of a settlement
24 to be collected if money is still due from an insurer, or that
25 allows the public adjuster to collect the entire percentage of
26 a settlement from any single payment issued by an insurer rather
27 than as a percentage of each payment issued by the insurer.

28 b. Requires or permits the insured to authorize an insurer to
29 issue a check only in the name of the public adjuster.

30 c. Imposes collection costs or late fees.

31 d. Allows the public adjuster's compensation to be increased
32 based on the fact that a claim is litigated.

33 e. Precludes either an insured or the public adjuster from
34 pursuing civil remedies.

35 f. Restricts an insured's right to initiate or maintain

1 direct communication with the insured's attorney or insurer, with
2 the insurer's adjuster or attorney, or any other person regarding
3 settlement of the insured's claim.

4 g. Grants the public adjuster power of attorney or limited
5 power of attorney of the insured.

6 h. Requires the insured to use a particular business entity
7 or individual for the reconstruction, repair, or restoration of
8 the insured's damaged property.

9 4. Prior to execution of the contract, the public adjuster
10 shall review the terms of the contract with the insured and
11 provide the insured with a separate disclosure document regarding
12 the claim process that shall include the following:

13 DISCLOSURE DOCUMENT

14 REGARDING THE CLAIM PROCESS

15 1. PROPERTY INSURANCE POLICIES OBLIGATE THE INSURED TO
16 PRESENT A CLAIM TO THE INSURED'S INSURER FOR CONSIDERATION.

17 THERE ARE THREE TYPES OF ADJUSTERS THAT MAY BE INVOLVED IN THAT
18 PROCESS. THE THREE TYPES ARE AS FOLLOWS:

19 (A) "STAFF ADJUSTER" IS DEFINED IN IOWA CODE SECTION 522C.2.
20 A STAFF ADJUSTER IS EMPLOYED BY THE INSURER. THEY WILL NOT
21 CHARGE THE INSURED A FEE.

22 (B) "INDEPENDENT ADJUSTER" IS DEFINED IN IOWA CODE SECTION
23 522C.2. AN INDEPENDENT ADJUSTER IS CONTRACTED BY THE INSURER TO
24 REPRESENT THE INSURER. THEY WILL NOT CHARGE THE INSURED A FEE.

25 (C) "PUBLIC ADJUSTER" IS DEFINED IN IOWA CODE SECTION 522C.2.
26 A PUBLIC ADJUSTER IS NOT AN EMPLOYEE OR REPRESENTATIVE OF
27 THE INSURER. THEY ARE HIRED BY THE INSURED TO ASSIST IN THE
28 PREPARATION, PRESENTATION, AND SETTLEMENT OF A CLAIM.

29 2. THE INSURED IS NOT REQUIRED TO HIRE A PUBLIC ADJUSTER
30 TO HELP THE INSURED MEET THE INSURED'S OBLIGATIONS UNDER THE
31 INSURED'S POLICY, BUT HAS THE RIGHT TO DO SO.

32 3. THE INSURED HAS THE RIGHT TO INITIATE DIRECT
33 COMMUNICATIONS WITH THE INSURED'S ATTORNEY, THE INSURED'S
34 INSURANCE COMPANY, THE INSURANCE COMPANY'S STAFF ADJUSTER OR
35 INDEPENDENT ADJUSTER, THE INSURANCE COMPANY'S ATTORNEY, OR ANY

1 OTHER PERSON REGARDING THE SETTLEMENT OF THE INSURED'S CLAIM.

2 4. THE INSURED MAY BE RESPONSIBLE FOR ANY AMOUNT PAYABLE TO
3 A PUBLIC ADJUSTER RELATED TO ANY PORTION OF A CLAIM THAT WAS
4 PREVIOUSLY PAID IN PART, IN FULL, OR SETTLED BY THE INSURER PRIOR
5 TO A CONTRACT BEING ENTERED INTO BETWEEN THE PUBLIC ADJUSTER AND
6 THE INSURED.

7 5. THE AMOUNT PAYABLE TO A PUBLIC ADJUSTER, WHICH CAN INCLUDE
8 A SALARY, FEE, COMMISSION, OR OTHER CONSIDERATION AS OUTLINED IN
9 THE CONTRACT, IS THE OBLIGATION OF THE INSURED, NOT THE INSURER.

10 6. THE INSURED MAY FILE A COMPLAINT WITH THE IOWA INSURANCE
11 DIVISION BY CALLING (877) 955-1212 OR VISITING IID. IOWA. GOV.

12 5. An original copy of a completed contract shall be provided
13 to the public adjuster and to the insured. The commissioner
14 may inspect the original contract in possession of the public
15 adjuster at any time without prior notice.

16 6. Within seventy-two hours of executing a contract with an
17 insured under this section, the public adjuster shall provide the
18 insured's insurer a notification letter, which has been signed
19 by the insured, authorizing the public adjuster to represent the
20 insured's interest. The insurer shall verify that the public
21 adjuster is currently licensed with the division.

22 7. A contract between a public adjuster and an insured
23 executed on a form in violation of subsection 1, paragraph "a",
24 shall not be enforceable in this state.

25 Sec. 46. NEW SECTION. **522C.11 Adjusters — standards of**
26 **conduct.**

27 1. A public adjuster shall serve with objectivity and
28 complete loyalty to the interest of the insured. A public
29 adjuster shall render to the insured in good faith information,
30 counsel, and service, that in the opinion of the public adjuster
31 will best serve the insured's insurance claim needs and interest.
32 These duties extend to the claims process and include providing
33 timely responses to both the insurer and the insured.

34 2. For a minimum of seventy-two hours following a
35 catastrophic disaster, to allow time for the commissioner to

1 safely deploy consumer protection resources, a public adjuster
2 shall not, in person or by telephone, directly offer to contract,
3 attempt to offer to contract, or enter into an adjuster
4 contract with an insured unless the offer to contract, the
5 attempt to offer to contract, or entering into a contract
6 is initiated by a consumer. If the commissioner deems the
7 severity of the catastrophic disaster to have placed people
8 under duress, the commissioner shall immediately dispatch the
9 consumer advocate and other personnel to the disaster area to
10 provide consumer guidance. If, after a public hearing, the
11 commissioner determines that, due to the scope and severity of
12 the catastrophic disaster, additional time is necessary to safely
13 deploy additional consumer protection resources, the commissioner
14 may extend the time period that a public adjuster shall not
15 offer to contract, attempt to offer to contract, or enter into
16 a contract for an additional seventy-two hours.

17 3. A public adjuster shall not solicit between the hours of
18 8:00 p.m. and 9:00 a.m. Solicitation shall include but is not
19 limited to a door-to-door sale as that term is defined in section
20 555A.1.

21 4. A public adjuster, or an independent adjuster, shall not
22 permit an unlicensed employee or representative of the public
23 adjuster or independent adjuster, nor any person associated with
24 a claim, to conduct business for which a license is required
25 under this chapter.

26 5. An adjuster shall not have a direct or indirect financial
27 interest in any aspect of a claim other than the amount payable
28 pursuant to the written contract with an insured under section
29 522C.10.

30 6. An adjuster shall not acquire any interest in salvage of
31 property.

32 7. An adjuster shall not undertake the adjustment of any
33 claim if the adjuster is not competent and knowledgeable as
34 to the terms and conditions of the insurance coverage, or if
35 the loss or coverage otherwise exceeds the adjuster's current

1 expertise.

2 8. An independent adjuster or public adjuster shall maintain
3 all documentation relating to all estimates and coverage
4 determinations for a minimum of five years from the date of
5 completion of a settlement.

6 9. An adjuster shall not knowingly make any false oral or
7 written material statements regarding any person engaged in the
8 business of insurance, or any other adjuster, to an insured who
9 is a client or potential client.

10 10. a. An adjuster shall not reasonably act, or fail to act,
11 in any manner that obstructs or prevents an insurer or adjuster
12 from timely conducting an inspection of any part of an insured's
13 property for which there is a claim for loss or damage.

14 b. If a public adjuster is unavailable after reasonable
15 request by an insurer, resulting in delay of the insurer's
16 timely inspection of the property, the insured shall allow the
17 insurer to have access to the property without the participation
18 or presence of the public adjuster to facilitate the insurer's
19 prompt inspection of the loss or damage.

20 11. An adjuster shall respond to an inquiry from an insurer
21 or an insured regarding a claim within fifteen business days
22 of the date of the inquiry unless good cause exists for delay.
23 The adjuster shall reply within fifteen business days to all
24 pertinent communications from the insured, the insurer, or a
25 representative of the insured or the insurer that reasonably
26 suggest that a response is expected.

27 12. Upon receiving notification of a claim, an insurer shall
28 provide necessary claim forms, instructions, and reasonable
29 assistance within fifteen business days of notification of the
30 claim so that first-party claimants can comply with the policy
31 conditions and the insurer's reasonable requirements.

32 13. An adjuster shall not act as an appraiser and as an
33 adjuster on the same claim.

34 14. An adjuster shall not act as an umpire and as an adjuster
35 on the same claim.

1 15. A public adjuster shall not enter into a contract or
2 accept a power of attorney or limited power of attorney for an
3 insured.

4 16. a. An independent adjuster shall not act as an
5 independent adjuster and a public adjuster on the same claim.

6 b. A public adjuster shall not act as a public adjuster and
7 an independent adjuster on the same claim.

8 17. A staff adjuster may be licensed as a public adjuster
9 or as an independent adjuster, but shall be prohibited from
10 providing services as an independent adjuster or a public
11 adjuster while employed as a staff adjuster.

12 18. A public adjuster shall not agree to, or reject, any loss
13 settlement without the insured's express knowledge and written
14 consent.

15 19. An adjuster shall not engage in any act or practice that
16 is a conflict of interest. A conflict of interest shall include
17 but is not limited to the following:

18 a. A direct or indirect financial interest with a person
19 responsible for the reconstruction, repair, or restoration of
20 damaged property that is the subject of a claim, or with a person
21 involved in resolving a claim valuation dispute.

22 b. A direct or indirect financial interest, or other valuable
23 consideration regardless of form or amount paid to an adjuster
24 in exchange for referring an insured to an appraiser, umpire,
25 construction company, contractor, salvage company, or attorney.

26 c. Being an owner, employee, agent, investor, or having other
27 financial interest in a business entity responsible for the
28 reconstruction, repair, or restoration of damaged property that
29 is the subject of a claim, or having an immediate family member
30 who is an owner, employee, agent, or investor in a business
31 entity responsible for the reconstruction, repair, or restoration
32 of a damaged property that is the subject of a claim.

33 d. Entering into a written or verbal contract, or formal
34 or informal agreement, with any person that compromises the
35 adjuster's duty of loyalty to the insured.

1 e. Using claim information obtained in the course of a claim
2 investigation for commercial purposes including marketing or
3 advertising for the benefit of the adjuster.

4 20. A public adjuster shall not file a complaint with the
5 division on behalf of an insured without the insured's knowledge
6 and written consent.

7 21. An adjuster shall not represent, directly or indirectly,
8 that damage has occurred at a property unless the adjuster has
9 inspected the damaged areas of the property.

10 22. An adjuster shall produce a detailed written estimate to
11 repair or replace covered damages and provide a copy to both the
12 insured and the insurer in a timely manner.

13 23. A public adjuster shall not offer to pay an insured's
14 deductible, or claim that the insured's deductible will be
15 waived, as an inducement to use the services of the public
16 adjuster.

17 24. An adjuster shall respond reasonably promptly to
18 inquiries by the division.

19 25. A public adjuster shall provide a detailed invoice for
20 completed services to an insured prior to requesting payment for
21 services pursuant to a contract under section 522C.10.

22 26. Funds received or held by a public adjuster on behalf of
23 an insured toward the settlement of a claim shall be:

24 a. Held in a fiduciary capacity.

25 b. Deposited by the adjuster into one or more separate
26 noninterest-bearing fiduciary trust accounts in a financial
27 institution licensed to do business in this state no later
28 than the close of the second business day from the date the
29 public adjuster received the funds, and either deposited in the
30 insured's name or in the name of the public adjuster as trustee
31 for the insured, to be held and administered as a trust account
32 for the benefit and protection of the insured.

33 c. Held separately from personal or nonbusiness funds.

34 d. Held separately from other business funds.

35 e. Listed specifically and separately, by the insured's name

1 and the amount in trust in the book of accounts and records
2 of the public adjuster. The book of accounts and records must
3 indicate the fiduciary nature of the account and any amounts
4 deposited or withdrawn.

5 *f.* Disbursed within thirty calendar days of receipt of an
6 invoice by the public adjuster from a contractor that completed
7 work, if the public adjuster receives approval of the insured
8 that the work was satisfactorily completed.

9 27. A public adjuster shall comply with all applicable local
10 ordinances.

11 28. An adjuster who fails to comply with this section shall
12 be subject to penalties under sections 522C.13 and 522C.14.

13 Sec. 47. NEW SECTION. **522C.12 Adjusters — records.**

14 1. An adjuster shall have a continuing duty to keep, at
15 the adjuster's place of business, usual and customary records
16 pertaining to transactions undertaken by the adjuster. All such
17 records shall be kept available and open for inspection by the
18 division at any time during regular business hours; however,
19 the division is not entitled to inspect any records prepared in
20 anticipation of litigation or that are subject to any privilege
21 recognized in chapter 622. The records shall be maintained for a
22 minimum of five years from the date of the adjuster transaction.

23 2. An adjuster who fails to comply with this section shall be
24 subject to penalties under sections 522C.13 and 522C.14.

25 Sec. 48. NEW SECTION. **522C.13 License denial, nonrenewal,**
26 **suspension, or revocation.**

27 1. The division may place on probation, suspend, revoke, or
28 refuse to issue or renew an adjuster's license, and may levy a
29 civil penalty as provided in section 522C.14, for one or more of
30 the following causes:

31 *a.* The adjuster provided incorrect, misleading, incomplete,
32 or materially untrue information in a license application.

33 *b.* The adjuster violated an insurance law, regulation,
34 subpoena, or order of the commissioner or of a commissioner of
35 another state.

- 1 c. The adjuster obtained or attempted to obtain a license
2 through misrepresentation or fraud.
- 3 d. The adjuster improperly withheld, misappropriated, or
4 converted money or property received in the course of doing
5 business.
- 6 e. The adjuster was convicted of a felony.
- 7 f. The adjuster admitted to, or was found to have committed,
8 any unfair trade practice or fraud.
- 9 g. The adjuster used fraudulent, coercive, or dishonest
10 practices, or demonstrated incompetence, untrustworthiness, or
11 financial irresponsibility, or was a source of injury or loss in
12 the conduct of business in this state or elsewhere.
- 13 h. The adjuster had any professional license, or its
14 equivalent, denied, suspended, or revoked in this state or any
15 other state, province, district, or territory.
- 16 i. The adjuster forged another's name to any document related
17 to the adjuster's work as an adjuster.
- 18 j. The adjuster improperly used notes or any other reference
19 material to complete an examination for an adjuster license.
- 20 k. The adjuster knowingly negotiated as an adjuster with an
21 individual or business entity who is not, but is required to be,
22 licensed as an adjuster, appraiser, or umpire.
- 23 l. The adjuster failed to comply with an administrative or
24 court order imposing a child support obligation.
- 25 m. The adjuster failed to comply with an administrative or
26 court order related to repayment of loans to the college student
27 aid commission.
- 28 n. The adjuster failed to pay state income tax or to comply
29 with any administrative or court order directing payment of state
30 income tax.
- 31 o. The adjuster failed or refused to cooperate in an
32 investigation conducted by the commissioner or the commissioner's
33 designee.
- 34 p. The adjuster intentionally misrepresented the terms of an
35 actual or proposed contract for services.

1 2. If the commissioner does not renew an adjuster's license
2 or denies an application for a license, the commissioner shall
3 notify the adjuster or applicant and advise, in writing, of
4 the reason for the nonrenewal of the license or denial of the
5 application for a license. The adjuster or applicant may request
6 a hearing on the nonrenewal or denial by filing a written request
7 for a hearing within thirty calendar days from the date of
8 notice of the nonrenewal or denial. A hearing shall be conducted
9 according to section 522C.15.

10 3. The license of a business entity may be suspended,
11 revoked, placed on probation, or refused if the commissioner
12 finds, after hearing, that an individual adjuster's violation was
13 known or should have been known by a licensed partner, officer,
14 or manager of the business entity and the violation was not
15 reported to the commissioner and corrective action was not taken.

16 4. The license of a nonresident adjuster shall be immediately
17 inactive if the nonresident adjuster is placed on probation,
18 suspended, revoked, refused, or denied licensure in any other
19 state. The nonresident adjuster shall have seven calendar days
20 to alert the commissioner that the nonresident adjuster has been
21 placed on probation, suspended, revoked, refused, nonrenewed, or
22 denied licensure in another state. Failure to meet the reporting
23 deadline shall be a violation of this section.

24 5. In addition to, or in lieu of, denial, probation,
25 suspension, or revocation of a license under this section, an
26 adjuster, after hearing, may be subject to a civil penalty as
27 provided in section 522C.14.

28 6. The commissioner may enforce this chapter, may conduct an
29 investigation of any suspected violation of this chapter, and may
30 impose any penalty or remedy authorized by this chapter against
31 any person who is under investigation for, or charged with, a
32 violation of this chapter even if the person's license has been
33 surrendered or has lapsed by operation of law.

34 7. a. All complaint files, investigation files,
35 investigation reports, and other investigative information in

1 the possession of the commissioner or the commissioner's agents
 2 that relates to adjuster discipline shall be privileged and
 3 confidential, and shall not be subject to discovery, subpoena,
 4 or other means of legal compulsion for release to a person other
 5 than the adjuster, and shall not be admissible in evidence in
 6 a judicial or administrative proceeding other than a proceeding
 7 involving adjuster discipline. A final written decision of
 8 the commissioner in a disciplinary proceeding shall be a public
 9 record.

10 b. Investigative information in the possession of the
 11 commissioner or the commissioner's agents that relates to
 12 adjuster discipline may be disclosed, at the commissioner's
 13 discretion. The commissioner may share documents, materials,
 14 or other information, including confidential and privileged
 15 documents and materials subject to this subsection, with other
 16 state, federal, and international regulatory agencies, with NAIC,
 17 its affiliates or subsidiaries, and with state, federal, and
 18 international law enforcement authorities, provided that the
 19 recipient agrees to maintain the confidentiality and privileged
 20 status of the document, material, or other information.

21 c. If the investigative information in the possession of the
 22 commissioner or the commissioner's agents indicates a crime has
 23 been committed, the information shall be reported to the proper
 24 law enforcement agency.

25 8. a. Pursuant to section 17A.19, subsection 6, upon an
 26 appeal by the adjuster, the commissioner shall transmit the
 27 entire record of the contested case to the reviewing court.

28 b. Notwithstanding section 17A.19, subsection 6, if a waiver
 29 of privilege has been involuntary and evidence has been received
 30 at a disciplinary hearing, the court shall issue an order to
 31 withhold the identity of the individual whose privilege was
 32 waived.

33 Sec. 49. NEW SECTION. **522C.14 Civil and criminal**
 34 **penalties.**

35 1. a. Upon a determination by the commissioner after a

1 hearing conducted pursuant to chapter 17A that an adjuster has
2 violated a provision of this chapter, the commissioner shall
3 reduce the findings of the hearing to writing and deliver a copy
4 of the findings to the adjuster.

5 b. Upon a determination by the commissioner that an adjuster
6 has engaged, is engaging, or is about to engage in any act
7 or practice constituting a violation of this chapter or a rule
8 adopted or order issued under this chapter, the commissioner may
9 take the following actions:

10 (1) Issue an order requiring the adjuster to cease and desist
11 from engaging in the conduct resulting in the violation.

12 (2) Assess a civil penalty against the adjuster of not more
13 than one thousand dollars for each violation of this chapter, not
14 to exceed an aggregate of ten thousand dollars.

15 (3) If the adjuster knew or reasonably should have known the
16 adjuster was in violation of this chapter, assess a civil penalty
17 of not more than five thousand dollars for each violation of this
18 chapter, not to exceed an aggregate penalty of fifty thousand
19 dollars in any one six-month period.

20 (4) (a) Issue a summary order, including a brief statement
21 of findings of fact, conclusions of law, and policy reasons for
22 the decision, and directing the adjuster to cease and desist from
23 engaging in the act or practice or to take affirmative action as
24 is necessary in the judgment of the commissioner to comply with
25 the requirements of this chapter.

26 (b) An adjuster may contest a summary order by filing, within
27 thirty calendar days from the date of the issuance of the
28 summary order, a written request for a contested case proceeding
29 and hearing as provided in chapter 17A and in accordance with
30 rules adopted by the commissioner. Section 17A.18A shall be
31 inapplicable to a summary order issued under this subsection. If
32 a hearing is not requested within thirty calendar days from the
33 date of issuance of the summary order, the summary order shall
34 become final by operation of law. A summary order shall remain
35 effective from the date of issuance until the date the order

1 becomes final by operation of law, or is modified or overturned
2 by a presiding officer or court following a request for hearing.

3 (c) An adjuster violating a summary order issued under this
4 subsection shall be deemed in contempt of the summary order. The
5 commissioner may petition the district court to enforce the order
6 as certified by the commissioner. The district court shall find
7 the adjuster in contempt of the order if the court finds, after
8 conducting a hearing, that the adjuster is not in compliance
9 with the order. The court may assess a civil penalty against
10 the adjuster and may issue further orders as the court deems
11 appropriate.

12 c. In addition to any other penalty under this section,
13 if the commissioner finds that a violation of this chapter
14 was directed, encouraged, condoned, ignored, or ratified by the
15 employer of the adjuster, the commissioner shall assess a penalty
16 to the employer. Penalties under this paragraph may be retained
17 by the commissioner under section 505.7, subsection 9.

18 2. a. A person acting as an adjuster without proper
19 licensure, or an adjuster who willfully violates any provision of
20 this chapter or an order issued under this chapter, is guilty of
21 a class "D" felony. If the violation results in a loss of more
22 than ten thousand dollars, the person or adjuster is guilty of a
23 class "C" felony.

24 b. An adjuster who steals, converts, or misappropriates funds
25 that should be held in trust under section 522C.11, is guilty of
26 a class "D" felony. If the violation results in a loss of more
27 than ten thousand dollars, the adjuster is guilty of a class "C"
28 felony.

29 c. The commissioner may refer such evidence as is available
30 concerning a violation of this chapter, or of any rule adopted or
31 order issued under this chapter, or of the failure of a person
32 to comply with the licensing requirements of this chapter, to the
33 attorney general or the proper county attorney who may institute
34 the appropriate criminal proceedings under this chapter.

35 d. This chapter does not limit the power of the state to

1 punish any person for conduct that constitutes a crime under any
2 other statute.

3 3. Any contract regulated by this chapter that is entered
4 into by an insured with a person who is not a licensed public
5 adjuster in this state shall be void. If a contract is void,
6 the insured is not liable for the payment for any past services
7 rendered, or future services to be rendered, by that person.

8 Sec. 50. NEW SECTION. **522C.15 Reinstatement or reissuance**
9 **of a license after disciplinary matters — forfeiture in lieu of**
10 **compliance.**

11 1. a. A person licensed as an adjuster under this chapter
12 whose license has been revoked or suspended by order, or who
13 forfeited a license in connection with a disciplinary matter,
14 may apply to the commissioner for reinstatement or reissuance
15 in accordance with the terms of the order of revocation or
16 suspension, or the order accepting the forfeiture, and submit to
17 a criminal history check under section 522B.5A.

18 b. Proceedings for reinstatement or reissuance shall be
19 initiated by the applicant who shall file with the commissioner
20 an application for reinstatement or reissuance after disciplinary
21 action. An applicant shall not be eligible for reinstatement
22 or reissuance until the applicant satisfies the requirements
23 under section 522C.5, 522C.5A, 522C.5B, 522C.5C, or 522C.5D,
24 as applicable, and the examination requirements under section
25 522C.8. An applicant may also be required to submit a new
26 or renewal adjuster application under section 522C.5A, 522C.5B,
27 522C.5C, or 522C.5D, as applicable.

28 c. An application for reinstatement or reissuance shall
29 allege facts which, if established, are sufficient to enable
30 the commissioner to determine that the basis of revocation,
31 suspension, or forfeiture of the applicant's license no longer
32 exists, and must disclose if the applicant has engaged in any
33 conduct listed as a cause for licensing action that was not
34 included in the order for suspension, revocation, or forfeiture.

35 d. An application for reinstatement or reissuance shall

1 allege facts which, if established, are sufficient to enable the
2 commissioner to determine that it is in the public interest for
3 the application to be granted. The commissioner may determine
4 that it is not in the public interest if the applicant has
5 engaged in any conduct listed as a cause for licensing action
6 that was not included in the order for suspension, revocation, or
7 forfeiture, or if the applicant does not have the character and
8 fitness to be a licensed adjuster in this state.

9 e. The burden of proof to establish facts identified in
10 paragraphs "c" and "d" shall be on the applicant.

11 f. An adjuster may request reinstatement of a suspended
12 license prior to the end of the suspension term.

13 g. Unless otherwise provided by law, if an order of
14 revocation or suspension did not establish terms on which
15 reinstatement or reissuance may occur, or if the license was
16 forfeited, an initial application for reinstatement or reissuance
17 shall not be made until at least one year from the date of
18 the order of the suspension, revocation, or acceptance of the
19 forfeiture of a license.

20 2. All proceedings on an application for reinstatement or
21 reissuance, including preliminary and ancillary matters, shall be
22 held in accordance with chapter 17A. The application shall be
23 docketed in the original case in which the original license was
24 suspended, revoked, or forfeited, if the case exists.

25 3. An order of reinstatement or reissuance shall be based
26 on a written decision which incorporates findings of fact
27 and conclusions of law. An order granting an application
28 for reinstatement or reissuance may impose such terms and
29 conditions as the commissioner or the commissioner's designee
30 deems appropriate, and may include one or more penalties provided
31 under section 522C.14. The order shall be a public record and
32 may be disseminated in compliance with chapter 22.

33 4. If an adjuster's ordered suspension period ends prior to
34 the adjuster's license expiration date and the adjuster applies
35 for reinstatement prior to the license expiration date and meets

1 all applicable requirements, the division shall reinstate the
2 license as soon as practicable but no earlier than the end of
3 the suspension period if the division, after a complete review,
4 determines the license should be reinstated.

5 5. If an adjuster's license is suspended beyond the
6 adjuster's license expiration date, whether due to an ordered
7 suspension time period or failure to apply for reinstatement
8 prior to expiration, the adjuster must apply for reissuance.

9 6. A submission of voluntary forfeiture of a license shall
10 be made in writing to the commissioner. Forfeiture of a license
11 is effective on the date of submission unless a contested case
12 proceeding is pending on the date of submission. If a contested
13 case proceeding is pending, the forfeiture shall become effective
14 upon conditions as ordered by the commissioner. A forfeiture
15 made during the pendency of a contested case proceeding shall be
16 considered a disciplinary action and shall be published in the
17 same manner as is applicable to any other form of disciplinary
18 order.

19 7. The commissioner shall not be prohibited from denying an
20 application for reinstatement or reissuance, or from bringing an
21 additional immediate action, if an adjuster has engaged in an
22 additional violation of chapter 507B or 522C, or otherwise failed
23 to meet all applicable requirements.

24 8. This section shall not apply to reinstatement of an
25 expired license or issuance of a new license that is not in
26 connection with a disciplinary matter.

27 Sec. 51. NEW SECTION. **522C.16 Suspension for failure to pay**
28 **child support or state debt.**

29 1. The commissioner shall deny an adjuster's application for
30 license issuance, renewal, reinstatement, or reissuance; suspend
31 a current license; or revoke a currently suspended license, upon
32 receipt of a certificate of noncompliance from the child support
33 recovery unit pursuant to chapter 252J, or upon receipt of a
34 certificate of noncompliance from the centralized collection unit
35 of the department of revenue pursuant to chapter 272D.

1 2. Upon receipt of a certificate of noncompliance under
2 subsection 1, the commissioner shall issue a notice to the
3 adjuster that the division will, unless the certificate of
4 noncompliance is withdrawn, deny the adjuster's application
5 for license issuance, renewal, reinstatement, or reissuance,
6 suspend the adjuster's current license, or revoke the adjuster's
7 currently suspended license, thirty calendar days after the date
8 the notice is mailed. Notice shall be sent to the adjuster's
9 last known address by restricted certified mail, return receipt
10 requested, or in accordance with the division's rules for
11 service. The notice shall contain all of the following:

12 a. A statement that the commissioner intends to deny
13 the adjuster's application for license issuance, renewal,
14 reinstatement, or reissuance; suspend the adjuster's current
15 license; or revoke the adjuster's currently suspended license in
16 thirty calendar days unless the certificate of noncompliance is
17 withdrawn.

18 b. A statement that the adjuster must contact the agency that
19 issued the certificate of noncompliance to request a withdrawal.

20 c. A statement that the adjuster does not have a right to a
21 hearing before the division, but that the adjuster may file an
22 application for a hearing in district court pursuant to section
23 252J.9 or 272D.9, as applicable, and that the filing of an
24 application by the adjuster will stay the proceedings of the
25 division.

26 d. A copy of the certificate of noncompliance.

27 3. An adjuster shall keep the commissioner informed of all
28 actions taken by the district court or the issuing agency in
29 connection with a certificate of noncompliance. Within seven
30 calendar days of filing or issuance, an adjuster shall provide
31 to the commissioner a copy of all applications filed with
32 the district court pursuant to an application or hearing, all
33 court orders entered in such action, and all withdrawals of a
34 certificate of noncompliance.

35 4. If an applicant or licensed adjuster timely files an

1 application for hearing in district court and the division is
2 notified of the filing, the commissioner's denial, suspension,
3 or revocation proceedings shall be stayed until the division is
4 notified by the district court, the issuing agency, the licensee,
5 or the applicant of the resolution of the application. Upon
6 receipt of a court order lifting the stay or otherwise directing
7 the commissioner to proceed, the commissioner shall continue with
8 the intended action described in the notice.

9 5. If the commissioner does not receive a withdrawal of the
10 certificate of noncompliance from the issuing agency, or a notice
11 from a clerk of court, the issuing agency, the licensee, or the
12 applicant that an application for hearing has been filed within
13 thirty calendar days after the notice is issued, the commissioner
14 shall deny the adjuster's application for license issuance,
15 renewal, reinstatement, or reissuance; suspend a current license;
16 or revoke a currently suspended license.

17 6. Upon receipt of a withdrawal of a certificate of
18 noncompliance from the issuing agency, suspension or revocation
19 proceedings shall halt and the named adjuster shall be notified
20 that the proceedings have halted. If the adjuster's license has
21 already been suspended, the adjuster must apply for reinstatement
22 in accordance with section 522C.15, and the license shall be
23 reinstated if the adjuster is otherwise in compliance with this
24 chapter. If the adjuster's application for licensure was stayed,
25 application processing shall resume. All fees required for
26 license renewal, reinstatement, or reissuance must be paid by
27 the adjuster, and all continuing education requirements shall be
28 satisfied, before the adjuster's license is renewed or reinstated
29 after a license suspension or revocation under this chapter.

30 7. The commissioner shall notify an adjuster in writing
31 through regular first class mail, or such other means as the
32 commissioner deems appropriate under the circumstances, within
33 ten calendar days of the effective date of the suspension or
34 revocation of the adjuster's license, and shall also notify the
35 adjuster when the adjuster's license is reinstated following the

1 commissioner's receipt of a withdrawal of the certificate of
2 noncompliance.

3 8. Notwithstanding any provision of law to the contrary, the
4 division may share information with the child support recovery
5 unit or the centralized collection unit of the department of
6 revenue for the sole purpose of identifying adjusters subject to
7 enforcement under chapter 252J or 272D.

8 Sec. 52. NEW SECTION. **522C.17 Severability.**

9 If any provision of this chapter or the application thereof to
10 any person or circumstance is held invalid, the invalidity does
11 not affect other provisions or applications of this chapter which
12 can be given effect without the invalid provision or application,
13 and to this end the provisions of this chapter are severable.

14 DIVISION VI

15 LICENSING AND REGULATION OF APPRAISERS AND UMPIRES

16 Sec. 53. Section 522B.5A, subsection 2, paragraph c, Code
17 2025, is amended to read as follows:

18 c. A renewal, reinstatement, or reissuance of a license if
19 the license of a producer has been revoked or suspended pursuant
20 to section 522B.11, the license of a public adjuster has been
21 revoked or suspended pursuant to section 522C.6 522C.13, ~~or~~ the
22 license of a viatical settlement provider or viatical settlement
23 broker has been revoked or suspended pursuant to section 508E.4,
24 or the license of an appraiser or an umpire has been revoked or
25 suspended pursuant to section 522F.20.

26 Sec. 54. Section 522B.5A, subsection 2, Code 2025, is amended
27 by adding the following new paragraphs:

28 NEW PARAGRAPH. f. An initial license as an appraiser in this
29 state.

30 NEW PARAGRAPH. g. An initial license as an umpire in this
31 state.

32 Sec. 55. NEW SECTION. **522F.1 Definitions.**

33 As used in this chapter, unless the context otherwise
34 requires:

35 1. "Adjuster" means a person licensed pursuant to chapter

1 522C.

2 2. "*Amount of loss*" means the monetary amount determined to
3 be necessary to properly repair or replace damage related to a
4 covered peril, and is limited to all applicable coverages for
5 covered items associated with the claim.

6 3. "*Appraiser*" means a person licensed as an appraiser
7 pursuant to section 522F.4.

8 4. "*Appraiser list*" means a list, maintained by the division,
9 of all appraisers licensed by the division.

10 5. "*Claimant*" means a person who makes a first-party claim
11 under a policy of property and casualty insurance.

12 6. "*Commissioner*" means the commissioner of insurance.

13 7. "*Disciplinary matter*" means an individual is the subject
14 of an investigation, complaint, pending administrative action, or
15 other such action in any state.

16 8. "*First-party claim*" means a claim filed by a named insured
17 under an insurance policy against which a claim is made.

18 9. "*Good cause*" means a legally sufficient reason including
19 but not limited to any of the following:

20 a. A conflict of interest.

21 b. A lack of independence or an inability to competently or
22 promptly carry out the duties required under this chapter.

23 c. Any other reason that would reasonably be expected to
24 impair an appraisal.

25 10. "*Immediate family*" means an individual's parent, sibling,
26 child, grandchild, spouse, spouses of the individual's children,
27 or parents of the individual's spouse.

28 11. "*Insured*" means a person covered under an insurance
29 policy against which a claim is made.

30 12. "*Insurer*" means a person engaged in the business of
31 insurance and regulated under chapter 507A, 508, 512B, 515, or
32 520.

33 13. "*NIPR gateway*" means the communication network developed
34 and operated by the national insurance producer registry that
35 links state insurance regulators with regulated entities to

1 facilitate the electronic exchange of adjuster information,
2 including but not limited to license applications, license
3 renewals, appointments, and terminations.

4 14. "Party" means an insurer or a claimant, including an
5 employee, contractor, and other representative of an insurer or
6 claimant.

7 15. "Person" means an individual or a business entity.

8 16. "Reinstatement" means the reinstatement of a suspended
9 license which was suspended in connection with a disciplinary
10 matter, and that has not expired or been terminated during the
11 suspension period.

12 17. "Reissuance" means the issuance of a new license
13 following the revocation of a license, the suspension and
14 subsequent termination of a license, or the forfeiture of a
15 license in connection with a disciplinary matter.

16 18. "Umpire" means a person licensed as an umpire pursuant to
17 section 522F.9.

18 19. "Umpire list" means a list, maintained by the division,
19 of all umpires licensed by the division.

20 Sec. 56. NEW SECTION. **522F.2 Rules.**

21 The commissioner may adopt rules pursuant to chapter 17A to
22 administer this chapter.

23 Sec. 57. NEW SECTION. **522F.3 Appraiser's license —**
24 **eligibility.**

25 1. A person shall not act as, or represent that the person
26 is, an appraiser in this state unless the person is licensed
27 under this chapter. A person that acts as an appraiser in this
28 state solely for a crop hail or multiperil crop insurance claim
29 shall not be subject to this chapter.

30 2. A person applying for an appraiser license shall submit
31 an application on a uniform individual application or a uniform
32 business entity application in the form and manner prescribed by
33 the commissioner.

34 3. To be eligible for licensure under this chapter, a person
35 shall meet all of the following criteria:

1 a. Have experience or training in building construction,
2 repair, or estimating property damage.

3 b. Unless waived by the commissioner based on the person's
4 other professional qualifications, have a minimum of three years'
5 experience as any of the following:

6 (1) A professional engineer licensed under chapter 542B or
7 similarly licensed in another state.

8 (2) An architect licensed under chapter 544A or similarly
9 licensed in another state.

10 (3) An adjuster licensed under chapter 522C or similarly
11 licensed in another state.

12 (4) A residential contractor as defined in section 103A.71.

13 (5) A contractor registered under chapter 91C or similarly
14 registered in another state.

15 c. Pass a written examination as prescribed by the division.
16 The examination shall test the knowledge of a person concerning
17 the appraisal process, the duties and responsibilities of an
18 appraiser, and the insurance laws and rules of this state.
19 Examination results shall be valid for ninety calendar days from
20 the date of examination.

21 d. Have the requisite character and competence, as determined
22 by the division.

23 4. To determine an applicant's eligibility for licensure, the
24 commissioner may require a criminal history check pursuant to
25 section 522B.5A.

26 Sec. 58. NEW SECTION. **522F.4 Appraisers — licensure,**
27 **license renewal, and fees.**

28 1. A person who meets the requirements under section 522F.3,
29 unless otherwise denied licensure pursuant to section 522F.20,
30 shall be issued an appraiser license that is valid for two years
31 from the date of issue.

32 2. Any applicable fee for a criminal history check pursuant
33 to section 522B.5A.

34 3. The fee for an initial appraiser license, or renewal of an
35 appraiser license, shall be fifty dollars for a two-year license.

1 4. The fee for reinstatement of an expired appraiser license
2 shall be one hundred dollars.

3 5. The fee for a reinstatement or reissuance of an appraiser
4 license suspended or revoked due to a disciplinary action shall
5 be one hundred dollars.

6 6. An appraiser's license shall contain the licensee's name,
7 business address, appraisal license number, the date of issuance,
8 the expiration date, and any other information the division deems
9 necessary.

10 7. An appraiser licensed under this chapter shall be required
11 to complete continuing education requirements, as prescribed
12 by the division, to be eligible for license renewal or
13 reinstatement.

14 8. An appraiser licensed under this chapter shall inform the
15 division, in the manner and form specified by the division, of a
16 change of legal name or business address within thirty calendar
17 days of the change. Failure to timely inform the division may
18 result in a penalty as specified in section 522F.20.

19 9. The division shall publish an appraiser list on the
20 division's internet site in a manner readily available to the
21 public. The appraiser list shall include all of the following
22 information for each licensed appraiser:

23 a. The business telephone number, business mailing address,
24 business email address, and the county and state of residence of
25 the appraiser as provided to the division by the appraiser for
26 licensure.

27 b. The appraiser's area of training or expertise.

28 c. The date of the appraiser's initial licensure and the date
29 the license expires.

30 10. Prior to approving a business entity's application for
31 a license as an appraiser, the commissioner shall find that the
32 business entity has designated an individual appraiser licensed
33 in this state to be responsible for the business entity's
34 compliance with the insurance laws and rules of this state.

35 Sec. 59. NEW SECTION. **522F.5 Appraiser license**

1 **reinstatement — not related to disciplinary action.**

2 1. An appraiser may apply for reinstatement of an expired
3 license up to one year after the license expiration date
4 by submitting a request through the NIPR gateway, paying a
5 reinstatement fee and a license renewal fee, and submitting
6 evidence to the division that the appraiser met the continuing
7 education requirements under section 522F.4. An appraiser who
8 fails to apply for license reinstatement within one year of the
9 date of expiration of the appraiser's license must apply for a
10 new license.

11 2. An appraiser who surrendered a license, not in connection
12 with a disciplinary matter, and stated an intent to exit the
13 appraiser business may file a request with the division to
14 reactivate the appraiser license. The request must be received
15 by the division within ninety calendar days of the date the
16 appraiser's license was placed on inactive status. The request
17 shall be granted if the former appraiser is otherwise eligible
18 to receive an appraiser license. If the appraiser's request to
19 reactivate the license is not received within ninety calendar
20 days of the date the appraiser's license was placed on inactive
21 status, the appraiser must apply for a new license.

22 3. An appraiser whose license is suspended, revoked, or
23 forfeited in connection with a disciplinary matter, or forfeited
24 in lieu of compliance, shall not be eligible for reinstatement
25 under this section and must follow the procedures in section
26 522F.22.

27 Sec. 60. NEW SECTION. **522F.6 Appraisers — payment.**

28 1. Each party to an appraisal shall be responsible for the
29 following:

30 a. The party's own appraiser's fees and expenses.

31 b. An equal share of all reasonable and necessary fees and
32 expenses incurred by an umpire, if necessary.

33 c. An equal share of all reasonable and necessary costs
34 incurred in the course of conducting the appraisal.

35 2. a. An appraiser shall not charge any party on a basis

1 dependent on the outcome of the written itemized award, or charge
2 in a manner that relies on a barter arrangement, gift, favor, or
3 in-kind exchange.

4 b. Prior to the conclusion of an appraisal process via
5 final settlement or issuance of a written itemized award by
6 an umpire, an appraiser shall not require, demand, or accept
7 any fee, retainer, compensation, deposit, or other type of
8 consideration, unless the loss is being handled by the appraiser
9 on a time-plus-expense basis.

10 3. An appraiser shall not charge, and is not entitled to, a
11 fee, compensation, deposit, or other type of consideration if the
12 appraiser abandons the appraisal prior to the umpire issuing a
13 written itemized award.

14 Sec. 61. NEW SECTION. **522F.7 Appraisers — standards of**
15 **conduct.**

16 1. An appraiser shall act with due diligence, including but
17 not limited to demonstrating accuracy, fairness, and timeliness
18 throughout an appraisal process.

19 2. a. (1) No later than five business days after being
20 hired by a party to an appraisal and before beginning work as
21 an appraiser, an appraiser shall disclose to all parties to the
22 appraisal any potential conflict of interest.

23 (2) An appraiser shall not engage in any act or practice that
24 is a conflict of interest during the appraisal.

25 (3) If a conflict of interest arises after the start of the
26 appraisal process, an appraiser shall disclose the conflict of
27 interest to the parties and shall withdraw from the appraisal
28 process no more than five business days after the conflict of
29 interest arose.

30 b. A conflict of interest shall include but is not limited to
31 all of the following:

32 (1) An appraiser is a party to a lawsuit against any party to
33 an appraisal.

34 (2) An appraiser is a party to, or a member or employee of a
35 law firm that represents a party to, a current lawsuit involving

1 an insurer that is a party to the appraisal.

2 (3) An appraiser has personally investigated, prosecuted, or
3 advocated in connection with the appraisal.

4 (4) An appraiser has acted as counsel to any party to
5 an appraisal within the two years immediately preceding the
6 appraisal.

7 (5) An appraiser has a personal financial interest in the
8 outcome of the appraisal or any other significant interest that
9 could be substantially affected by the outcome of the appraisal.

10 (6) A member of an appraiser's immediate family is any of the
11 following:

12 (a) A party to the appraisal, or an officer, director, or
13 trustee of a party.

14 (b) A current employee of an appraiser or an adjuster to the
15 appraisal.

16 (c) A business entity licensed as an adjuster that adjusted
17 the loss at issue in the appraisal.

18 (d) Known to have an interest that could be substantially
19 affected by the outcome of the appraisal.

20 (e) An immediate family member that has a legally sufficient
21 reason that requires the appraiser to withdraw from the
22 appraisal.

23 3. An appraiser shall postpone an appraisal for a reasonable
24 amount of time if any party demonstrates reasonable cause for
25 a postponement. The appraiser shall notify all parties if the
26 appraisal process is postponed. An appraiser's failure to timely
27 notify all parties may result in a penalty under sections 522F.20
28 and 522F.21.

29 4. In the course of an appraisal, an appraiser shall consider
30 all information provided by the parties and any other reasonably
31 available evidence that is material to the appraisal.

32 5. In the course of an appraisal, an appraiser shall
33 carefully decide all issues submitted for determination of the
34 amount of loss and actual cash value.

35 6. In the course of an appraisal, an appraiser shall provide

1 all parties a fair and reasonable itemized written appraisal
2 detailing the amount of loss and actual cash value.

3 7. In the course of an appraisal, an appraiser shall ensure
4 the appraiser's party is reasonably informed of all updates
5 throughout the appraisal process.

6 8. An appraiser shall not permit outside influence to affect
7 an appraisal.

8 9. An appraiser shall not allow a person other than the
9 umpire for the appraisal to determine differences between the
10 actual cash value and the amount of loss of each item on the
11 appraisal.

12 10. a. An appraiser shall not communicate directly or
13 indirectly with any of the following:

14 (1) An opposing party or representative of the opposing party
15 other than the opposing party's appraiser.

16 (2) The umpire, unless reasonable notice and opportunity to
17 participate in the communication is provided to an opposing
18 appraiser.

19 b. Notwithstanding paragraph "a", an appraiser may
20 communicate with an opposing party or an umpire in order to do
21 any of the following:

22 (1) Identify the party's counsel or experts.

23 (2) Discuss logistical matters, including the time and place
24 of a meeting or to make arrangements for the conduct of the
25 appraisal. The appraiser initiating contact with the umpire
26 shall promptly inform an opposing appraiser.

27 (3) If an opposing appraiser fails to participate in a
28 meeting or conference call after receiving reasonable notice and
29 opportunity to participate, or if all parties agree in writing in
30 advance of a meeting or conference call, an appraiser may discuss
31 a claim with the umpire.

32 11. An appraiser shall not act as, or have ever acted as, an
33 adjuster or umpire on the same claim.

34 12. An appraiser shall not withdraw or abandon an appraisal
35 unless compelled by unforeseen circumstances that would render it

1 impossible or impracticable for the appraiser to continue.

2 Sec. 62. NEW SECTION. **522F.8 Umpire license —**
3 **eligibility.**

4 1. An individual shall not act as, or represent that the
5 individual is, an umpire in this state unless the individual
6 is licensed under this chapter. An individual that acts as an
7 umpire in this state solely for a crop hail or multiperil crop
8 insurance claim shall not be subject to this chapter.

9 2. An individual applying for an umpire license shall submit
10 an application on a uniform individual application in the form
11 and manner prescribed by the commissioner.

12 3. To be eligible for licensure under this chapter, an
13 individual shall meet all of the following criteria:

14 a. Unless waived by the commissioner based on the
15 individual's other professional qualifications, have a minimum of
16 three years' experience as any of the following:

17 (1) A professional engineer licensed under chapter 542B or
18 similarly licensed in another state.

19 (2) An architect licensed under chapter 544A or similarly
20 licensed in another state.

21 (3) An adjuster licensed under chapter 522C or similarly
22 licensed in another state.

23 (4) An appraiser licensed under this chapter or similarly
24 licensed in another state.

25 (5) An attorney licensed in this state, or another state,
26 with experience in first-party property damage litigation.

27 (6) An insurance regulator.

28 b. Pass a written examination as prescribed by the division.
29 The examination shall test the knowledge of the individual
30 concerning the appraisal process, the duties and responsibilities
31 of an umpire, and the insurance laws and rules of this state.
32 Examination results shall be valid for ninety calendar days from
33 the date of examination.

34 c. Have the requisite character and competence, as determined
35 by the division.

1 4. To determine an applicant's eligibility for licensure, the
2 commissioner may require a criminal history check pursuant to
3 section 522B.5A.

4 Sec. 63. NEW SECTION. **522F.9 Umpires — licensure, license**
5 **renewal, and fees.**

6 1. An individual who meets the requirements of section
7 522F.8, unless otherwise denied licensure pursuant to section
8 522F.20, shall be issued an umpire license that is valid for two
9 years from the date of issue.

10 2. Any applicable fee for a criminal history check pursuant
11 to section 522B.5A.

12 3. The fee for an initial umpire license, or renewal of an
13 umpire license, shall be fifty dollars for a two-year license.

14 4. The fee for reinstatement of an expired umpire license
15 shall be one hundred dollars.

16 5. The fee for a reinstatement or reissuance of an umpire
17 license suspended or revoked due to a disciplinary action shall
18 be one hundred dollars.

19 6. An umpire's license shall contain the licensee's name,
20 business address, umpire license number, the date of issuance,
21 the expiration date, and any other information the division deems
22 necessary.

23 7. An umpire licensed under this chapter shall be required to
24 complete continuing education requirements, as prescribed by the
25 division to be eligible for license renewal or reinstatement.

26 8. An umpire licensed under this chapter shall inform the
27 division, in the manner and form specified by the division, of
28 a change of legal name or business address within thirty calendar
29 days of the change. Failure to timely inform the division may
30 result in a penalty as specified in sections 522F.20 and 522F.21.

31 9. The division shall publish an umpire list on the
32 division's internet site in a manner that is readily available to
33 the public. The umpire list shall include all of the following
34 information for each licensed umpire:

35 a. The business telephone number, business mailing address,

1 business email address, and the county and state of residence
2 of the umpire as provided to the division by the umpire for
3 licensure.

4 b. The umpire's area of training and expertise.

5 c. The date of the umpire's initial licensure and the date
6 the license expires.

7 Sec. 64. NEW SECTION. **522F.10 Umpire license reinstatement**
8 **— not related to disciplinary action.**

9 1. An umpire may apply for reinstatement of an expired
10 license up to one year after the license expiration date
11 by submitting a request through the NIPR gateway, paying a
12 reinstatement fee, and submitting evidence to the division
13 that the umpire met the continuing education requirements under
14 section 522F.9. An umpire who fails to apply for license
15 reinstatement within one year of the date of expiration of the
16 umpire's license must apply for a new license.

17 2. An umpire who surrendered a license, not in connection
18 with a disciplinary matter, and stated an intent to exit
19 the umpire business, may file a request with the division to
20 reactivate the umpire license. The request must be received by
21 the division within ninety calendar days of the date the umpire's
22 license was placed on inactive status. The request shall be
23 granted if the former umpire is otherwise eligible to receive
24 an umpire license. If the umpire's request to reactivate the
25 umpire's license is not received within ninety calendar days of
26 the date the license was placed on inactive status, the umpire
27 must apply for a new license.

28 3. An umpire whose license is suspended, revoked, or
29 forfeited in connection with a disciplinary matter, or forfeited
30 in lieu of compliance, shall not be eligible for reinstatement
31 under this section and must follow the procedures in section
32 522F.22.

33 Sec. 65. NEW SECTION. **522F.11 Umpires — payment.**

34 1. In addition to the costs each party is responsible for
35 under section 522F.6, each party to an appraisal that requires an

1 umpire shall be responsible for an equal share of all reasonable
2 and necessary fees and expenses incurred by the umpire.

3 2. If the parties settle before the appraisers direct the
4 umpire to begin work, the umpire shall not charge a fee.

5 3. An umpire shall not charge any party on a basis dependent
6 on the outcome of the written itemized award, or charge in a
7 manner that relies on a barter arrangement, gift, favor, or
8 in-kind exchange.

9 4. Prior to the conclusion of an appraisal process via final
10 settlement, or issuance of a written itemized award by an umpire,
11 an umpire shall not require, demand, or accept any fee, retainer,
12 compensation, deposit, or other type of consideration, unless the
13 loss is being handled by the umpire on a time-plus-expense basis.

14 5. An umpire shall not charge, and is not entitled to, a
15 fee, compensation, deposit, or other type of consideration if
16 the umpire abandons the appraisal prior to the umpire issuing a
17 written itemized award.

18 Sec. 66. NEW SECTION. **522F.12 Umpires — objections.**

19 A party or appraiser that objects for good cause to a selected
20 umpire within the time limit specified in section 522F.14,
21 subsection 3, paragraph "b", shall send the objection to all
22 parties involved in the appraisal and, if applicable, to the
23 judge who appointed the umpire from the umpire list under section
24 522F.14, subsection 3, paragraph "d". A copy of the objection
25 shall be sent to the division electronically in the form and
26 manner prescribed by the commissioner. The objection shall
27 include all of the following information:

28 1. The names of all parties involved in the dispute.

29 2. The name of the person submitting the objection.

30 3. The insurer's claim number.

31 4. The name of the umpire that the party or appraiser objects
32 to.

33 5. An explanation of the good cause basis for the objection.

34 Sec. 67. NEW SECTION. **522F.13 Umpires — standards of**
35 **conduct.**

1 1. An umpire shall act with due diligence, including but
2 not limited to demonstrating accuracy, fairness, and timeliness
3 throughout an appraisal process.

4 2. a. (1) No later than three business days after being
5 hired by the parties to an appraisal and before beginning work
6 as an umpire to the appraisal, an umpire shall disclose to all
7 parties to the appraisal any potential conflict of interest. If
8 a conflict of interest exists, the umpire shall withdraw from the
9 appraisal.

10 (2) An umpire shall not engage in any act or practice that is
11 a conflict of interest during the appraisal.

12 (3) If a conflict of interest arises after the start of
13 an appraisal process, an umpire shall disclose the conflict of
14 interest to the parties and shall withdraw from the appraisal
15 process.

16 b. A conflict of interest shall include but is not limited to
17 the following:

18 (1) An umpire is a party to a lawsuit against any party to an
19 appraisal.

20 (2) An umpire is a party to, or a member or employee of a law
21 firm that represents a party to, a current lawsuit involving an
22 insurer that is party to the appraisal.

23 (3) An umpire has a personal open claim involving an insurer
24 that is a party to the appraisal.

25 (4) An umpire has a personal bias or prejudice against a
26 party.

27 (5) An umpire has personally investigated, prosecuted, or
28 advocated in connection with the appraisal.

29 (6) An umpire has acted as counsel to any party to
30 an appraisal within the two years immediately preceding the
31 appraisal.

32 (7) An umpire has a personal financial interest in the
33 outcome of the appraisal or any other significant interest that
34 could be substantially affected by the outcome of the appraisal.

35 (8) A member of an umpire's immediate family is any of the

1 following:

2 (a) A party to the appraisal, or an officer, director, or
3 trustee of a party.

4 (b) A current employee of an appraiser or an adjuster to the
5 appraisal.

6 (c) A business entity licensed as an adjuster that adjusted
7 the loss at issue in the appraisal.

8 (d) Known to have an interest that could be substantially
9 affected by the outcome of the appraisal.

10 (e) An immediate family member that has a legally sufficient
11 reason that requires the umpire to withdraw from the appraisal.

12 3. Prior to beginning work as an umpire, an umpire shall
13 enter into a written contract with all parties to the appraisal
14 that requires the parties and the umpire to comply with this
15 section, and provides that each party shall pay costs as required
16 under section 522F.11.

17 4. An umpire shall not begin work on a claim until the umpire
18 receives each appraiser's differences in actual cash value and
19 amount of loss of each item of the claim, and written approval
20 from the parties for the umpire to begin work.

21 5. No later than three business days after receiving notice
22 of selection for an appraisal, an umpire shall send notice to the
23 parties and the appraisers that includes all of the following:

24 a. A statement informing each party if the umpire is insured
25 by an insurer.

26 b. A statement informing each party of the party's respective
27 right to object to the umpire under section 522F.12.

28 6. An umpire shall address only issues in an appraisal that
29 the appraisers disagree on.

30 7. An umpire shall review all information submitted by the
31 appraisers and parties related to the dispute, including but
32 not limited to the itemized appraisals or estimates, supporting
33 documents, photographs, and diagrams. The umpire shall review
34 the differences between what each appraiser submitted and seek
35 agreement by the appraisers regarding the disputed issues.

1 8. An umpire shall allow each appraiser to a claim a fair
2 opportunity to present evidence and arguments regarding the
3 appraisal.

4 9. An umpire shall ask questions, or request documents or
5 other evidence, as the umpire deems necessary in the course of
6 an appraisal.

7 10. An umpire may accept either appraiser's scope, quantity,
8 value, or cost regarding an item in dispute, or develop an
9 independent decision on each item in dispute.

10 11. An umpire shall decide all matters in an appraisal
11 fairly, and shall exercise independent judgment and integrity.

12 12. An umpire shall prepare and distribute a written itemized
13 award pursuant to section 522F.16.

14 13. An umpire shall not visit the claimant's damaged property
15 without consent from all appraisers.

16 14. An umpire shall not withdraw or abandon an appraisal
17 unless compelled by unforeseen circumstances that would render
18 it impossible or impracticable for the umpire to continue on a
19 claim.

20 15. An umpire shall not attend or participate in settlement
21 discussions unless requested to do so by all parties.

22 16. An umpire shall not permit outside influences to affect
23 an appraisal.

24 17. An umpire shall not delegate the umpire's duty to decide
25 a claim to any other person.

26 18. Unless reasonable notice and opportunity to participate
27 in a communication is provided to an opposing party and the
28 opposing party's appraiser, an umpire shall not communicate,
29 directly or indirectly, with any party or appraiser regarding a
30 pending appraisal.

31 19. Unless reasonable notice and opportunity to participate
32 in a communication is provided to all parties, an umpire shall
33 not communicate, directly or indirectly, with any party, a
34 representative of any party, or any other person with a direct
35 or indirect interest in the claim, regarding an issue of fact or

1 law in the appraisal.

2 20. An umpire shall not act as, or have ever acted as, an
3 adjuster or appraiser on the same claim.

4 Sec. 68. NEW SECTION. **522F.14 Appraisal process.**

5 1. This section provides for the appraisal process if all of
6 the following apply:

7 a. The claimant's insurance policy is delivered, issued for
8 delivery, or renewed in this state.

9 b. The property that is the subject of the claimant's
10 claim is located in this state, or the dispute is subject to
11 jurisdiction in this state.

12 c. A claimant gave proper notice to the claimant's insurer
13 of a loss claim, and the claimant and insurer dispute the actual
14 cash value, or the amount of loss the insurer will pay, for the
15 claimant's claim under the claimant's policy. The claimant and
16 the insurer must both provide the other party with a scope of
17 loss of a covered peril, including a list stating separately the
18 actual cash value and the amount of claimed loss for each item.

19 d. The claimant or insurer demands in writing an appraisal
20 pursuant to the claimant's policy.

21 2. Within twenty calendar days following either the
22 claimant's or insurer's receipt of the other party's written
23 demand for an appraisal, the claimant and the insurer shall each
24 select an appraiser from the appraiser list. Upon selection,
25 the appraiser shall attest in writing to the selecting party that
26 the appraiser is competent and disinterested with regards to the
27 appraisal in question.

28 3. a. Within fifteen calendar days of the selection of
29 appraisers pursuant to subsection 2, both appraisers shall agree
30 on an umpire from the umpire list.

31 b. A party or an appraiser may object to the agreed-upon
32 umpire for good cause pursuant to section 522F.12 no later
33 than five business days after the umpire has been selected. A
34 replacement umpire from the umpire list shall then be agreed upon
35 by both appraisers.

1 c. If both appraisers fail to agree on an umpire, either the
2 claimant or insurer shall immediately provide written notice to
3 the division, in the form and manner prescribed by the division,
4 and the division shall randomly select an umpire from the umpire
5 list and notify the parties.

6 d. If either appraiser requests that an umpire be selected by
7 a judge in the state in which the property that is the subject
8 of the claim is located, a judge shall give deference to the
9 randomly selected umpire from the umpire list by the division
10 unless either the claimant or the insurer provides good cause for
11 the judge to make an alternative selection from the umpire list.

12 4. Within forty-five calendar days from the date the umpire
13 is selected, both appraisers shall appraise the loss, stating
14 separately the actual cash value and the amount of loss for each
15 item. Each appraiser shall submit separately the appraiser's
16 actual cash value and amount of loss of each item, along with
17 any supporting information, to the umpire. Each appraiser shall
18 also submit written authorization for the umpire to commence the
19 umpire's work.

20 5. No later than forty-five calendar days after receipt of
21 the actual cash value and amount of loss under subsection 4,
22 the umpire shall prepare and provide to the parties and each
23 appraiser a written itemized award showing the actual cash value
24 and amount of loss. The written itemized award shall include but
25 is not limited to all of the following:

26 a. Contact information for each appraiser and the umpire.

27 b. The insured's policy number and the insured's claim
28 number.

29 c. The date of the insured's loss.

30 d. The type of covered peril that caused the loss.

31 e. The date the umpire commenced work.

32 f. The legal name of the insurer.

33 g. The physical address of the property on which the insured
34 made a claim.

35 h. The date of the umpire's written itemized award.

1 i. (1) A description and itemization of the final written
2 itemized award by coverage type, including but not limited to:

3 (a) Coverage A — dwelling.

4 (b) Coverage B — other structures.

5 (c) Coverage C — personal property.

6 (2) The description and itemization by coverage type shall
7 include contested items that have been resolved, sublimits, and
8 other disputed items. Items, including but not limited to items
9 with sublimits, shall be separately noted to avoid ambiguity in
10 the final written itemized award.

11 j. The signature of the umpire and at least one appraiser.

12 6. Prior to the umpire issuing the written itemized award,
13 the parties may agree to conclude the appraisal process when the
14 parties reach a final settlement.

15 Sec. 69. NEW SECTION. **522F.15 Appraisal clause.**

16 All property insurance policies delivered, issued for
17 delivery, continued, or renewed in this state on or after January
18 1, 2026, shall contain an appraisal clause that complies with
19 this chapter.

20 Sec. 70. NEW SECTION. **522F.16 Appraisal award.**

21 1. An appraiser and umpire shall act with due diligence in
22 achieving an appraisal award.

23 2. A insurer's payment of an appraisal award to an insured
24 shall be subject to the limits of coverage, and other terms
25 and conditions of the insured's policy, including reductions for
26 deductibles and prior payments. Unless otherwise agreed upon by
27 the parties in writing, an appraisal award shall be binding and
28 paid by the insurer within sixty calendar days of the written
29 itemized award being submitted to the insurer.

30 3. An insurer's motion to vacate an appraisal award for good
31 cause shall be filed within thirty calendar days from the date
32 the insurer receives the written itemized award in the court of
33 record.

34 Sec. 71. NEW SECTION. **522F.17 Reporting of actions.**

35 1. An appraiser or umpire shall report to the commissioner

1 any administrative action taken against the appraiser or umpire
2 in another jurisdiction or by another administrative agency in
3 this state within thirty calendar days of the final disposition
4 of the matter. This report shall include a copy of the order,
5 consent to the order, and other relevant legal documents.

6 2. Within thirty calendar days of the initial pretrial
7 hearing date, an appraiser or umpire shall report to the
8 commissioner any criminal prosecution of the appraiser or umpire
9 taken in any jurisdiction. The report shall include a copy
10 of the initial complaint filed, the order resulting from the
11 hearing, and any other relevant legal documents.

12 3. An appraiser or umpire who willfully fails to comply with
13 this section is subject to penalty under section 522F.20.

14 Sec. 72. NEW SECTION. **522F.18 Records — appraisers and**
15 **umpires.**

16 1. An appraiser or umpire shall have a continuing duty and
17 obligation to keep, at the appraiser's or umpire's place of
18 business, usual and customary records pertaining to appraisals
19 undertaken by the appraiser or umpire. All such records
20 shall be kept available for inspection by the commissioner or
21 the commissioner's agent during regular business hours. The
22 commissioner or the commissioner's agent shall not be entitled
23 to inspect any records prepared in anticipation of litigation
24 or that are subject to any privilege recognized in chapter 622.
25 Such records shall be maintained for a minimum of three years
26 following the date of final claim resolution.

27 2. An appraiser or umpire who willfully fails to comply with
28 this section is subject to penalty under section 522F.20.

29 Sec. 73. NEW SECTION. **522F.19 Hearings — service of**
30 **process, attendance of witnesses, and production of documents.**

31 1. Whenever the commissioner believes that a person has
32 been engaged, or is engaging, in a violation of this chapter
33 or a rule adopted or an order issued under this chapter, and
34 that a proceeding by the commissioner would be in the public
35 interest, the commissioner shall issue and serve upon the person

1 a statement of the charges and a notice of a hearing on the
2 charges to be held at the time and place set in the notice,
3 which shall not be less than ten business days after the date of
4 service of such notice.

5 2. At the time and place of such hearing, the person shall
6 have an opportunity to be heard and to show cause why an order
7 should not be made by the commissioner requiring the person to
8 cease and desist from the violation of the chapter, rule, or
9 order. Upon a showing of good cause, the commissioner shall
10 permit any person, by counsel or in person, to intervene, appear,
11 and be heard at such hearing.

12 3. A hearing under this section shall not be required to
13 observe formal rules of pleading or evidence.

14 4. The commissioner, at a hearing under this section, may
15 administer oaths, examine and cross-examine witnesses, receive
16 oral and documentary evidence, and may subpoena witnesses,
17 compel their attendance, and require the production of books,
18 papers, records, correspondence, or other documents which the
19 commissioner deems relevant. The commissioner may, and upon the
20 request of any party shall, cause to be made a stenographic
21 record of the evidence and proceedings of a hearing under this
22 section. If no stenographic record is made and if a judicial
23 review is sought, the commissioner shall prepare a statement of
24 the evidence and proceeding for use on review. If a person
25 refuses to comply with a subpoena issued under this section,
26 or to testify to a matter for which the person may lawfully be
27 interrogated, the district court of Polk county or the district
28 court of the county where the person resides, on application of
29 the commissioner, may issue an order requiring such person to
30 comply with such subpoena or to testify. Failure of a person
31 to obey such order of the court may be punished by the court as
32 contempt.

33 5. Statements of charges, notices, orders, subpoenas, and
34 other processes of the commissioner under this chapter may be
35 served by anyone authorized by the commissioner, either in the

1 manner provided by law for service of process in civil actions,
2 or by mailing a copy by restricted certified mail to the person
3 affected by the statement, notice, order, subpoena, or other
4 process at the person's residence or principal office or place
5 of business. The verified return by the person serving the
6 statement, notice, order, subpoena, or other process, setting
7 forth the manner of such service, shall be proof of service, and
8 the return receipt for the statement, notice, order, subpoena,
9 or other process, mailed by restricted certified mail, shall be
10 proof of the service.

11 Sec. 74. NEW SECTION. **522F.20 License denial, nonrenewal,**
12 **or revocation — penalties.**

13 1. The division may place on probation, suspend, revoke, or
14 refuse to issue or renew an appraiser's license or an umpire's
15 license, and may levy a civil penalty against an appraiser or
16 umpire as provided in section 522F.21, for one or more of the
17 following causes:

18 a. The appraiser or umpire provided incorrect, misleading,
19 incomplete, or materially untrue information in a license
20 application.

21 b. The appraiser or umpire violated an insurance law,
22 regulation, subpoena, or order of the commissioner or of a
23 commissioner of another state.

24 c. The appraiser or umpire obtained or attempted to obtain a
25 license through misrepresentation or fraud.

26 d. The appraiser or umpire improperly withheld,
27 misappropriated, or converted money or property received from an
28 insured in the course of doing business.

29 e. The appraiser or umpire was convicted of a felony.

30 f. The appraiser or umpire committed, or was found to have
31 committed, any unfair trade practice or fraud.

32 g. The appraiser or umpire used fraudulent, coercive,
33 or dishonest practices, or demonstrated incompetence,
34 untrustworthiness, or financial irresponsibility in the conduct
35 of business.

- 1 h. The appraiser or umpire had any professional license, or
2 its equivalent, denied, suspended, or revoked in this state or
3 any other state, province, district, or territory.
- 4 i. The appraiser or umpire forged another's name to any
5 document related to an appraisal.
- 6 j. The appraiser or umpire improperly used notes or any other
7 reference material to complete an examination for an appraisal
8 license or umpire license.
- 9 k. The appraiser knowingly negotiated as an appraiser with
10 an individual who is not, but is required to be, licensed as an
11 appraiser during an appraisal.
- 12 l. The umpire knowingly acted as an umpire during the conduct
13 of an appraisal with an individual who is not, but is required to
14 be, licensed as an appraiser during an appraisal.
- 15 m. The appraiser or umpire failed to comply with an
16 administrative or court order related to repayment of loans to
17 the college student aid commission.
- 18 n. The appraiser or umpire failed to pay state income tax or
19 comply with any administrative or court order directing payment
20 of state income tax.
- 21 o. The appraiser or umpire failed to comply with an
22 administrative or court order imposing a child support
23 obligation.
- 24 p. The appraiser or umpire failed or refused to cooperate
25 in an investigation conducted by the commissioner or the
26 commissioner's designee.
- 27 q. The appraiser or umpire used an appraiser license
28 or umpire license for the principal purpose of procuring,
29 receiving, or forwarding appraisals, or placing or affecting such
30 appraisals, directly or indirectly, on or in connection with
31 the property of the licensee or the property of a relative,
32 employer, or employee of the licensee, or upon or in connection
33 with property for which the licensee or a relative, employer, or
34 employee of the licensee is an agent, custodian, vendor, bailee,
35 trustee, or payee.

1 2. If the commissioner does not renew a license or denies
2 an application for a license, the commissioner shall notify the
3 applicant, appraiser, or umpire in writing of the reason for
4 the nonrenewal of the license or denial of the application for
5 a license. The applicant, appraiser, or umpire may request a
6 hearing on the nonrenewal or denial. The applicant, appraiser,
7 or umpire shall have thirty calendar days from the date of
8 receipt of the notice to file a written request for a hearing.
9 A hearing shall be conducted according to section 522F.19.

10 3. The license of an umpire, an appraiser, or an appraiser
11 business entity may be suspended, revoked, placed on probation,
12 or refused if the commissioner finds, after hearing, that an
13 umpire's, appraiser's, or appraiser business entity's violation
14 was known or should have been known by a partner, officer, or
15 manager of the business entity and the violation was not reported
16 to the commissioner and corrective action was not taken.

17 4. In addition to, or in lieu of, denial, probation,
18 suspension, or revocation of a license under this section, an
19 appraiser or umpire, after hearing, may be subject to a civil
20 penalty as provided in section 522F.21.

21 5. The commissioner may enforce this chapter, may conduct an
22 investigation of any suspected violation of this chapter, and may
23 impose any penalty or remedy authorized by this chapter against
24 any person who is under investigation for, or charged with, a
25 violation of this chapter even if the person's license has been
26 surrendered or has lapsed by operation of law.

27 6. a. All complaint files, investigation files,
28 investigation reports, and other investigative information in the
29 possession of the commissioner or the commissioner's agents that
30 relates to appraiser or umpire discipline shall be privileged and
31 confidential, and shall not be subject to discovery, subpoena, or
32 other means of legal compulsion for release to a person other
33 than the appraiser or umpire, and shall not be admissible in
34 evidence in a judicial or administrative proceeding other than
35 the proceeding involving the appraiser or umpire discipline.

1 A final written decision of the commissioner in a disciplinary
2 proceeding shall be a public record.

3 b. Investigative information in the possession of the
4 commissioner or the commissioner's agent that relates to
5 appraiser or umpire discipline may be disclosed at the discretion
6 of the commissioner. The commissioner may share documents,
7 materials, or other information, including confidential and
8 privileged documents, materials, or information under this
9 subsection with other state, federal, and international
10 regulatory agencies, with NAIC and its affiliates or
11 subsidiaries, and with state, federal, and international law
12 enforcement authorities, provided that the recipient agrees
13 to maintain the confidentiality and privileged status of the
14 document, material, or other information.

15 c. If the investigative information in the possession of the
16 commissioner or the commissioner's agents indicates a crime has
17 been committed, the information shall be reported to the proper
18 law enforcement agency.

19 7. a. Pursuant to section 17A.19, subsection 6, upon an
20 appeal by the appraiser or umpire, the commissioner shall
21 transmit the entire record of the contested case to the reviewing
22 court.

23 b. Notwithstanding section 17A.19, subsection 6, if a waiver
24 of privilege has been involuntary and evidence has been received
25 at a disciplinary hearing, the court shall issue an order to
26 withhold the identity of the individual whose privilege was
27 waived.

28 Sec. 75. NEW SECTION. **522F.21 Civil and criminal**
29 **penalties.**

30 1. a. Upon a determination by the commissioner, after a
31 hearing conducted pursuant to chapter 17A, that a person violated
32 this chapter, the commissioner shall reduce the findings of the
33 hearing to writing and deliver a copy of the findings to the
34 person.

35 b. Upon a determination by the commissioner that a person

1 has engaged, is engaging, or is about to engage in any act
2 or practice constituting a violation of this chapter or a rule
3 adopted or order issued under this chapter, the commissioner may
4 take the following actions:

5 (1) Issue an order requiring the person to cease and desist
6 from engaging in the conduct resulting in the violation.

7 (2) Assess a civil penalty against the person of not more
8 than one thousand dollars for each violation not to exceed an
9 aggregate of ten thousand dollars.

10 (3) If the person knew or reasonably should have known the
11 person was in violation of this chapter, assess a civil penalty
12 of not more than five thousand dollars for each violation of
13 this chapter not to exceed an aggregate penalty of fifty thousand
14 dollars in any one six-month period.

15 (4) (a) Issue a summary order, including a brief statement
16 of findings of fact, conclusions of law, and policy reasons for
17 the decision, and directing the person to cease and desist from
18 engaging in the act or practice or to take affirmative action as
19 is necessary in the judgment of the commissioner to comply with
20 the requirements of this chapter.

21 (b) A person may contest a summary order by filing, within
22 thirty calendar days from the date of the issuance of the
23 summary order, a written request for a contested case proceeding
24 and hearing as provided in chapter 17A and in accordance with
25 rules adopted by the commissioner. Section 17A.18A shall be
26 inapplicable to a summary order issued under this subsection. If
27 a hearing is not requested within thirty calendar days from the
28 date of issuance of the summary order, the summary order shall
29 become final by operation of law. A summary order shall remain
30 effective from the date of issuance until the date the order
31 becomes final by operation of law, or is modified or overturned
32 by a presiding officer or court following a request for hearing.

33 (c) A person violating a summary order issued under this
34 subsection shall be deemed in contempt of the summary order.
35 The commissioner may petition the district court to enforce the

1 order as certified by the commissioner. The district court shall
2 find the person in contempt of the order if the court finds,
3 after conducting a hearing, that the person is not in compliance
4 with the order. The court may assess a civil penalty against
5 the person and may issue further orders as the court deems
6 appropriate.

7 c. In addition to any other penalty under this section,
8 if the commissioner finds that a violation of this chapter
9 was directed, encouraged, condoned, ignored, or ratified by the
10 employer of the appraiser or umpire, the commissioner shall
11 assess a penalty to the employer. Penalties under this paragraph
12 may be retained by the commissioner under the fund described in
13 section 505.7, subsection 9.

14 2. a. A person acting as an appraiser or an umpire without
15 proper licensure, or an appraiser or an umpire who willfully
16 violates any provision of this chapter or an order issued
17 under this chapter, is guilty of a class "D" felony. If the
18 violation results in a loss of more than ten thousand dollars,
19 the appraiser or an umpire is guilty of a class "C" felony.

20 b. The commissioner may refer such evidence as is available
21 concerning a violation of this chapter, or of any rule adopted
22 or order issued under this chapter, or of the failure of a
23 person to comply with the licensing requirements of this chapter,
24 to the attorney general or the proper district attorney who
25 may institute the appropriate criminal proceedings under this
26 chapter.

27 c. This chapter shall not limit the power of the state to
28 punish any person for any conduct that constitutes a crime under
29 any other statute.

30 Sec. 76. NEW SECTION. **522F.22 Reinstatement or reissuance**
31 **of a license after disciplinary matters — forfeiture in lieu of**
32 **compliance.**

33 1. a. A person licensed under this chapter as an appraiser
34 or umpire whose license has been revoked or suspended by order,
35 or who forfeited a license in connection with a disciplinary

1 matter, may apply to the commissioner for reinstatement or
2 reissuance in accordance with the terms of the order of
3 revocation or suspension, or the order accepting the forfeiture,
4 and submit to a criminal history check under section 522B.5A.

5 b. (1) Proceedings for reinstatement or reissuance shall be
6 initiated by the applicant who shall file with the commissioner
7 an application for reinstatement or reissuance after disciplinary
8 action.

9 (2) An appraiser shall not be eligible for reinstatement or
10 reissuance until the appraiser satisfies the requirements under
11 section 522F.3 and pays any required fees. An appraiser may be
12 required to submit a new or renewal appraiser application under
13 section 522F.5.

14 (3) An umpire shall not be eligible for reinstatement or
15 reissuance until the umpire satisfies the requirements under
16 section 522F.8 and pays any required fees. An umpire may be
17 required to submit a new or renewal umpire application under
18 section 522F.10.

19 c. An application for reinstatement or reissuance shall
20 allege facts which, if established, are sufficient to enable
21 the commissioner to determine that the basis of revocation,
22 suspension, or forfeiture of the applicant's license no longer
23 exists, and must disclose if the applicant has engaged in any
24 conduct listed as a cause for licensing action that was not
25 included in the order for suspension, revocation, or forfeiture.

26 d. An application for reinstatement or reissuance shall
27 allege facts which, if established, are sufficient to enable the
28 commissioner to determine that it is in the public interest for
29 the application to be granted. The commissioner may determine
30 that it is not in the public interest if the applicant has
31 engaged in any conduct listed as a cause for licensing action
32 that was not included in the order for suspension, revocation, or
33 forfeiture, or if the applicant does not have the character and
34 fitness to be a licensed appraiser or umpire in this state.

35 e. The burden of proof to establish facts identified in

1 paragraphs "c" and "d" shall be on the applicant.

2 f. A person licensed as an appraiser or an umpire may request
3 reinstatement of a suspended license prior to the end of the
4 suspension term.

5 g. Unless otherwise provided by law, if an order of
6 revocation or suspension did not establish terms upon which
7 reinstatement or reissuance may occur, or if the license was
8 forfeited, an initial application for reinstatement or reissuance
9 shall not be made until at least one year from the date of
10 the order of the suspension, revocation, or acceptance of the
11 forfeiture of a license.

12 2. All proceedings upon the application for reinstatement or
13 reissuance, including preliminary and ancillary matters, shall be
14 held in accordance with chapter 17A. The application shall be
15 docketed in the original case in which the original license was
16 suspended, revoked, or forfeited, if the case exists.

17 3. An order of reinstatement or reissuance shall be based
18 on a written decision which incorporates findings of fact
19 and conclusions of law. An order granting an application
20 for reinstatement or reissuance may impose such terms and
21 conditions as the commissioner or the commissioner's designee
22 deems appropriate, which may include one or more penalties
23 provided under this chapter. The order shall be a public record
24 and may be disseminated in compliance with chapter 22.

25 4. If an appraiser's or umpire's ordered suspension period
26 ends prior to the appraiser's or umpire's license expiration
27 date and the appraiser or umpire applies for reinstatement
28 prior to the license expiration date and meets all applicable
29 requirements, the division shall reinstate the license as soon as
30 practicable but no earlier than the end of the suspension period
31 if the division, after a complete review, determines the license
32 should be reinstated.

33 5. If an appraiser's or umpire's license is suspended beyond
34 the appraiser's or umpire's license expiration date, whether due
35 to an ordered suspension time period or failure to apply for

1 reinstatement prior to expiration, the appraiser or umpire must
2 apply for reissuance.

3 6. A submission of voluntary forfeiture of a license shall
4 be made in writing to the commissioner. Forfeiture of a license
5 is effective upon the date of submission unless a contested case
6 proceeding is pending on the date of submission. If a contested
7 case proceeding is pending, the forfeiture shall become effective
8 upon conditions as required by order of the commissioner.
9 A forfeiture made during the pendency of a contested case
10 proceeding shall be considered a disciplinary action and shall be
11 published in the same manner as is applicable to any other form
12 of disciplinary order.

13 7. The commissioner shall not be prohibited from denying
14 an application for reinstatement or reissuance, or bringing
15 an additional immediate action, if an appraiser or umpire has
16 engaged in an additional violation of chapter 507B or this
17 chapter or otherwise failed to meet all applicable requirements.

18 8. This section shall not apply to reinstatement of an
19 expired license or issuance of a new license that is not in
20 connection with a disciplinary matter.

21 Sec. 77. NEW SECTION. **522F.23 Suspension for failure to pay**
22 **child support or state debt.**

23 1. The commissioner shall deny an appraiser's or umpire's
24 application for license issuance, renewal, reinstatement, or
25 reissuance; suspend a current license; or revoke a currently
26 suspended license upon receipt of a certificate of noncompliance
27 from the child support recovery unit pursuant to chapter 252J,
28 or upon receipt of a certificate of noncompliance from the
29 centralized collection unit of the department of revenue pursuant
30 to chapter 272D.

31 2. Upon receipt of a certificate of noncompliance under
32 subsection 1, the commissioner shall issue a notice to
33 the appraiser or umpire that the division will, unless
34 the certificate of noncompliance is withdrawn, deny the
35 appraiser's or umpire's application for license issuance,

1 renewal, reinstatement, or reissuance, suspend the appraiser's or
2 umpire's current license, or revoke the appraiser's or umpire's
3 currently suspended license, thirty calendar days after the date
4 the notice is mailed. Notice shall be sent to the appraiser's or
5 umpire's last known address by restricted certified mail, return
6 receipt requested, or in accordance with the division's rules for
7 service. The notice shall contain all of the following:

8 a. A statement that the commissioner intends to deny
9 the appraiser's or umpire's application for license issuance,
10 renewal, reinstatement, or reissuance; suspend the appraiser's or
11 umpire's current license; or revoke the appraiser's or umpire's
12 currently suspended license in thirty calendar days unless the
13 certificate of noncompliance is withdrawn.

14 b. A statement that the appraiser or umpire must contact the
15 agency that issued the certificate of noncompliance to request a
16 withdrawal.

17 c. A statement that the appraiser or umpire does not have a
18 right to a hearing before the division, but that the appraiser
19 or umpire may file an application for a hearing in district court
20 pursuant to section 252J.9 or 272D.9, as applicable, and that the
21 filing of an application by the appraiser or umpire will stay the
22 proceedings of the division.

23 d. A copy of the certificate of noncompliance.

24 3. An appraiser or umpire shall keep the commissioner
25 informed of all actions taken by the district court or the
26 issuing agency in connection with a certificate of noncompliance.
27 An appraiser or umpire shall provide to the commissioner,
28 within seven calendar days of filing or issuance, a copy of
29 all applications filed with the district court pursuant to an
30 application or hearing, all court orders entered in such action,
31 and all withdrawals of a certificate of noncompliance.

32 4. If an applicant, appraiser, or umpire timely files an
33 application for hearing in district court and the division is
34 notified of the filing, the commissioner's denial, suspension,
35 or revocation proceedings shall be stayed until the division is

1 notified by the district court, the issuing agency, the licensee,
2 or the applicant of the resolution of the application. Upon
3 receipt of a court order lifting the stay or otherwise directing
4 the commissioner to proceed, the commissioner shall continue with
5 the intended action described in the notice.

6 5. If the commissioner does not receive a withdrawal of the
7 certificate of noncompliance from the issuing agency, or a notice
8 from a clerk of court, the issuing agency, the appraiser, the
9 umpire, or the applicant that an application for hearing has been
10 filed within thirty calendar days after the notice is issued, the
11 commissioner shall deny the applicant's, appraiser's, or umpire's
12 application for license issuance, renewal, reinstatement, or
13 reissuance; suspend a current license; or revoke a currently
14 suspended license.

15 6. Upon receipt of a withdrawal of a certificate of
16 noncompliance from the issuing agency, suspension or revocation
17 proceedings shall halt and the named appraiser or umpire shall
18 be notified that the proceedings have halted. If the appraiser's
19 or umpire's license has already been suspended, the appraiser or
20 umpire must apply for reinstatement in accordance with section
21 522F.22, and the license shall be reinstated if the appraiser
22 or umpire is otherwise in compliance with this chapter. If the
23 appraiser's or umpire's application for licensure was stayed,
24 application processing shall resume. All fees required for
25 license renewal, reinstatement, or reissuance must be paid by an
26 appraiser or umpire, and all continuing education requirements
27 shall be satisfied, before the appraiser's or umpire's license
28 is renewed or reinstated after a license suspension or revocation
29 under this chapter.

30 7. The commissioner shall notify an appraiser or umpire in
31 writing through regular first class mail, or such other means
32 as the commissioner deems appropriate under the circumstances,
33 within ten calendar days of the effective date of the suspension
34 or revocation of the appraiser's or umpire's license, and shall
35 also notify the appraiser or umpire when the appraiser's or

1 umpire's license is reinstated following the commissioner's
2 receipt of a withdrawal of the certificate of noncompliance.

3 8. Notwithstanding any provision of law to the contrary, the
4 division may share information with the child support recovery
5 unit or the centralized collection unit of the department of
6 revenue for the sole purpose of identifying appraisers or umpires
7 subject to enforcement under chapter 252J or 272D.

8 Sec. 78. NEW SECTION. **522F.24 Severability.**

9 If any provision of this chapter or the application thereof to
10 any person or circumstance is held invalid, the invalidity does
11 not affect other provisions or applications of this chapter which
12 can be given effect without the invalid provision or application,
13 and to this end the provisions of this chapter are severable.

14 Sec. 79. CODE EDITOR DIRECTIVE. The Code editor shall divide
15 chapter 522F into subchapters and shall designate sections 522F.1
16 through 522F.2, as enacted in this division of this Act, as
17 subchapter I entitled "General Provisions", sections 522F.3
18 through 522F.7, as enacted in this division of this Act, as
19 subchapter II entitled "Appraisers", sections 522F.8 through
20 522F.13, as enacted in this division of this Act, as subchapter
21 III entitled "Umpires", sections 522F.14 through 522F.16, as
22 enacted in this division of this Act, as subchapter IV entitled
23 "Appraisals", sections 522F.17 through 522F.18, as enacted in
24 this division of this Act, as subchapter V entitled "Duties of
25 Licensees", and sections 522F.19 through 522F.23, as enacted in
26 this division of this Act, as subchapter VI entitled "Hearings
27 and Penalties".

28 DIVISION VII

29 IOWA ECONOMIC EMERGENCY FUND — PROCLAMATION OF DISASTER
30 EMERGENCY

31 Sec. 80. Section 8.55, subsection 3, paragraph a, Code 2025,
32 is amended to read as follows:

33 a. Except as provided in paragraphs "b", "c", and "d", and
34 "f", the moneys in the Iowa economic emergency fund shall only be
35 used pursuant to an appropriation made by the general assembly.

1 An appropriation shall only be made for the fiscal year in which
2 the appropriation is made. The moneys shall only be appropriated
3 by the general assembly for emergency expenditures.

4 Sec. 81. Section 8.55, subsection 3, Code 2025, is amended by
5 adding the following new paragraph:

6 NEW PARAGRAPH. *f.* (1) For the fiscal year beginning July 1,
7 2026, and each fiscal year thereafter, there is appropriated from
8 the Iowa economic emergency fund to the department of management
9 ten percent of the maximum balance of the Iowa economic emergency
10 fund, or so much thereof as is necessary, to be used for
11 disaster response, disaster recovery activities, or disaster aid
12 to citizens.

13 (2) The appropriation in this paragraph is contingent upon
14 all of the following:

15 (a) The issuance of a proclamation of disaster emergency by
16 the governor under section 29C.6 during the fiscal year, which
17 proclamation covers the disaster for which the moneys will be
18 used.

19 (b) The appropriation occurs at the direction of the
20 governor, with the approval of the executive council.

21 (3) Subject to the approval of the governor, the department
22 of management may provide for an interdepartmental transfer of
23 moneys appropriated in this paragraph to another state entity for
24 the purposes specified in this paragraph, subject to the approval
25 of the governor, notwithstanding the limitations and requirements
26 of section 8.39.

27 (4) Notwithstanding section 8.33, moneys appropriated in this
28 paragraph that remain unencumbered or unobligated at the close of
29 the fiscal year shall not revert but shall remain available for
30 expenditure for the purposes designated. If the department of
31 management determines that moneys so appropriated are no longer
32 necessary for the purposes designated, the remaining moneys shall
33 revert to the Iowa economic emergency fund.

34 (5) Moneys appropriated in this paragraph shall not supplant
35 other appropriated moneys.

1 Sec. 82. Section 29C.6, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 18. Direct an appropriation under section
4 8.55, subsection 3, paragraph "f", with the approval of the
5 executive council.

6 DIVISION VIII

7 IOWA ECONOMIC EMERGENCY FUND — APPROPRIATIONS

8 Sec. 83. NUISANCE PROPERTY REMEDIATION ASSISTANCE FUND — FY
9 2024-2025. There is appropriated from the Iowa economic
10 emergency fund created in section 8.55 to the economic
11 development authority for the fiscal year beginning July 1, 2024,
12 and ending June 30, 2025, the following amount, or so much
13 thereof as is necessary, to be used for the purposes designated:

14 For deposit in the nuisance property remediation assistance
15 fund established in section 15.338:

16 \$ 2,000,000

17 Notwithstanding section 8.33, moneys appropriated in this
18 section that remain unencumbered or unobligated at the close of
19 the fiscal year shall not revert but shall remain available for
20 expenditure for the purposes designated until the close of the
21 succeeding fiscal year.

22 Sec. 84. DISASTER RECOVERY HOUSING ASSISTANCE FUND — FY
23 2024-2025. There is appropriated from the Iowa economic
24 emergency fund created in section 8.55 to the Iowa finance
25 authority for the fiscal year beginning July 1, 2024, and ending
26 June 30, 2025, the following amount, or so much thereof as is
27 necessary, to be used for the purposes designated:

28 For deposit in the disaster recovery housing assistance fund
29 created in section 16.57B:

30 \$ 11,600,000

31 Notwithstanding section 8.33, moneys appropriated in this
32 section that remain unencumbered or unobligated at the close of
33 the fiscal year shall not revert but shall remain available for
34 expenditure for the purposes designated until the close of the
35 succeeding fiscal year.

1 Sec. 85. EFFECTIVE DATE. This division of this Act, being
2 deemed of immediate importance, takes effect upon enactment.

3 EXPLANATION

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

6 This bill relates to the natural hazard mitigation financing
7 program, the disaster recovery housing assistance program, the
8 disaster recovery new housing program, post-loss assignments
9 of benefits, and the licensing and regulation of adjusters,
10 appraisers and umpires.

11 DIVISION I — NATURAL HAZARD MITIGATION FINANCING PROGRAM. The
12 bill creates the natural hazard mitigation financing program
13 (program) for the purpose of making loans available to eligible
14 entities to finance all or part of the costs of a project.
15 "Eligible entity" and "project" are defined in the bill. The
16 program shall be a joint and cooperative undertaking of the
17 department of homeland security and emergency management (HSEMD)
18 and the Iowa finance authority (IFA).

19 The bill creates a natural hazard mitigation revolving loan
20 fund (fund) under the control of HSEMD, in consultation with IFA,
21 consisting of moneys and program funding as detailed in the bill.

22 HSEMD, in consultation with IFA, may establish and maintain
23 funds or accounts necessary to carry out the purposes of the
24 bill. Any moneys appropriated to HSEMD and IFA for purposes of
25 paying the costs and expenses associated with the program shall
26 be administered as determined by IFA. The funds or accounts are
27 separate dedicated funds and accounts under the administration
28 and control of IFA, and shall not be considered part of the
29 general fund of the state, are not subject to appropriation for
30 any other purpose by the general assembly, and in determining a
31 general fund balance shall not be included in the general fund of
32 the state, but shall remain in the funds and accounts maintained
33 by HSEMD or IFA. IFA may provide for the issuance of bonds or
34 notes as detailed in the bill.

35 The duties of the director of HSEMD (director) are detailed in

1 the bill.

2 For the fiscal year beginning July 1, 2025, and each fiscal
3 year thereafter, HSEMD may prepare and deliver intended use plans
4 to, and enter into capitalization grant agreements with, the
5 administrator of the United States federal emergency management
6 agency and may accept capitalization grants for the fund. HSEMD,
7 in consultation with IFA, shall establish fiscal controls and
8 accounting procedures for the fund.

9 HSEMD and IFA shall review each loan application to determine
10 if the applicant is an eligible entity and qualifies for a loan.
11 IFA, in cooperation with HSEMD, shall determine the interest rate
12 and repayment terms for each loan under the program and shall
13 enter into a loan agreement with each loan recipient. IFA may
14 charge loan recipients fees and assess costs as necessary.

15 Moneys in the fund shall be used for the primary purpose of
16 making loans to eligible entities to finance eligible costs of
17 projects in accordance with the intended use plans. The loan
18 recipients and the purpose and amount of the loans shall be
19 determined by the director.

20 HSEMD, in consultation with IFA, shall adopt rules pursuant to
21 Code chapter 17A to administer the division of the bill.

22 The bill makes a conforming change to Code section 422.7.

23 DIVISION II — DISASTER RECOVERY HOUSING ASSISTANCE

24 PROGRAM. The bill requires a state of disaster emergency
25 proclamation by the governor that authorizes disaster recovery
26 housing assistance to specify if disaster recovery housing
27 assistance is available to homeowners, renters, or both
28 homeowners and renters.

29 The bill defines "financial assistance" as assistance provided
30 only from the funds, rights, and assets legally available to IFA
31 and includes but is not limited to assistance in the form of
32 grants, loans, and forgivable loans.

33 Under the bill, IFA shall not use more than 5 percent of the
34 moneys deposited into the disaster recovery housing assistance
35 fund for administrative and program costs.

1 Under current law, to be considered for financial assistance
2 under the disaster recovery housing assistance program, a
3 homeowner or renter must register for the disaster case advocacy
4 program. Under the bill, a homeowner or renter is not
5 required to register for the advocacy program to be considered
6 for financial assistance under the disaster recovery housing
7 assistance program.

8 The bill makes conforming changes to Code section 16.57B.

9 DIVISION III — DISASTER RECOVERY NEW HOUSING PROGRAM. The
10 bill defines "qualifying state disaster recovery new housing
11 grant" (grant) as an award of a state disaster recovery new
12 housing grant that was applied for between August 20, 2024,
13 and December 31, 2024, and approved and issued by the economic
14 development authority. A grant shall not be included in the
15 computation of net income for federal income tax purposes.

16 The division takes effect upon enactment and applies
17 retroactively to tax years beginning on or after January 1, 2024.

18 DIVISION IV — POST-LOSS ASSIGNMENT OF BENEFITS — RESIDENTIAL
19 CONTRACTOR. Under the bill, a violation of Code section 515.137
20 is an unfair method of competition and unfair or deceptive
21 act or practice in the business of insurance. The bill
22 defines "post-loss assignment" (assignment). The assignment
23 must only assign the insurance proceeds a named insured is
24 entitled to receive from the named insured's insurer for the
25 repair, replacement construction, or reconstruction of the named
26 insured's property.

27 A residential contractor (contractor) shall not engage in
28 conduct prohibited by the bill under an assignment by a named
29 insured to the contractor under a property and casualty insurance
30 policy.

31 An assignment must include an itemized description containing
32 the information detailed in the bill.

33 An assignment shall not impair the interest of a mortgagee,
34 and all mortgagees shall be named as a co-payee for the payment
35 of benefits. An assignment shall only authorize a contractor

1 to be named as a co-payee, along with the named insured and all
2 mortgagees, for the payment of benefits. An assignment shall not
3 prevent or inhibit an insurer from communicating with the named
4 insured or a mortgagee.

5 An electronic copy of a fully executed assignment shall
6 be provided to a named insured and all mortgagees of the
7 damaged residential real estate within five business days after
8 execution. A contractor named in an assignment must cooperate
9 with the insurer in a claim investigation.

10 A named insured shall have the right to cancel an assignment
11 without penalty or fee under the circumstances detailed in the
12 bill.

13 Any written contract, repair estimate, or work order prepared
14 by a contractor to provide goods or services pursuant to an
15 assignment shall include notice as provided in the bill which
16 shall be signed by the named insured and sent to the named
17 insured's insurer prior to payment.

18 For at least 72 hours following a catastrophic disaster, a
19 residential contractor shall not enter into a contract with
20 an insured that includes an assignment. If the severity of
21 the catastrophic disaster has placed people under duress, as
22 determined by the commissioner, the commissioner shall dispatch
23 the consumer advocate and personnel to provide consumer guidance.
24 The commissioner may extend the 72-hour period by an additional
25 72 hours after public hearing.

26 An assignment entered into with a contractor shall be void if
27 the contractor violates the bill.

28 DIVISION V — PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS. The
29 bill makes conforming changes to Code sections 507B.4, 522B.5A,
30 and 522C.1.

31 Under current law, the commissioner of insurance
32 (commissioner) shall adopt rules as necessary to administer and
33 enforce Code chapter 522C. Under the bill, the commissioner may
34 adopt such rules.

35 Under the bill, a person shall not act as, or represent that

1 the person is, a public adjuster or an independent adjuster
2 unless the person is licensed. A license as an adjuster is not
3 required for a staff adjuster, an attorney when acting within
4 their professional capacity as an attorney, or a person employed
5 only for the purpose of obtaining facts surrounding a loss or to
6 furnish technical assistance to a licensed adjuster. A person
7 applying for an adjuster license shall complete an application as
8 described in the bill. The commissioner may require a criminal
9 history check for the applicant.

10 Prior to approving an application for a resident adjuster
11 license, a nonresident adjuster license, or a business entity's
12 or nonresident business entity's application for a license for
13 a resident public adjuster or resident independent adjuster, the
14 commissioner shall find that the applicant meets the requirements
15 detailed in the bill.

16 If the commissioner does not renew a license or denies an
17 application for a license, the commissioner shall notify the
18 applicant or licensee and advise of the reason for the nonrenewal
19 or denial. Within 30 calendar days of the date of the notice,
20 the licensee or applicant may request a hearing on the nonrenewal
21 or denial.

22 Application fees for a license as an adjuster are detailed in
23 the bill. The fee for an examination may be set by a third-party
24 testing service and must be approved by the division of insurance
25 (division).

26 Prior to issuance of a license, an applicant shall secure
27 evidence of financial responsibility (responsibility) through
28 a surety bond (bond) as prescribed by the commissioner. The
29 bond shall be executed and issued by an insurer authorized
30 to issue bonds, and must meet the requirements of the bill.
31 The division may request that an adjuster provide evidence
32 of responsibility at any time. An adjuster shall immediately
33 notify the division if the adjuster's evidence of responsibility
34 terminates or becomes impaired, and the adjuster's license shall
35 become inactive.

1 An individual applying for a license shall pass a written
2 examination, unless exempt, as described in the bill.

3 A public adjuster shall not provide services to an insured
4 until a written contract with the insured has been executed. The
5 contract must meet all of the requirements detailed in the bill.
6 No provisions in the contract shall be redacted in a copy of the
7 contract submitted to the commissioner.

8 If the insurer, no later than five calendar days after the
9 date on which the insured's loss is reported, either pays or
10 commits in writing to pay the policy limits, the public adjuster
11 shall inform the insured that the total amount of loss claimed by
12 the insured may not be paid by the insured, and the adjuster is
13 only entitled to reasonable compensation from the insured. Prior
14 to execution of a contract, the public adjuster shall review the
15 terms of the contract with the insured and provide a separate
16 disclosure document that meets the requirements detailed in the
17 bill.

18 An original copy of a completed contract shall be provided to
19 the public adjuster and kept by the insured. Within 72 hours of
20 entering a contract with an insured, the public adjuster shall
21 provide the insured's insurer a notification letter. A contract
22 between a public adjuster and an insured executed in violation of
23 the bill shall not be enforceable.

24 The required standards of conduct for, and duties of, an
25 adjuster are detailed in the bill. An adjuster who fails
26 to comply with the standards and duties shall be subject to
27 penalties.

28 The division may place on probation, suspend, revoke, or
29 refuse to issue or renew an adjuster's license, and may levy a
30 civil penalty for any of the reasons enumerated in the bill.
31 If the commissioner does not renew a license or denies an
32 application for a license, the commissioner shall notify the
33 adjuster or applicant and advise of the reason for the nonrenewal
34 or denial. The adjuster or applicant may request a hearing
35 within 30 days from the date of the notice.

1 The commissioner may conduct an investigation of any suspected
2 violation of the bill and may impose a penalty or remedy against
3 any person who is under investigation for, or charged with, a
4 violation even if the person's license has been surrendered or
5 has lapsed by operation of law.

6 All complaint files, investigation files, other investigation
7 reports, and other investigative information in the possession
8 of the commissioner that relates to adjuster discipline are
9 privileged and confidential, and may only be disclosed as
10 described in the bill. On appeal by the adjuster, the
11 commissioner shall transmit the entire record of the contested
12 case to the reviewing court.

13 Upon a determination by the commissioner, after a hearing,
14 that an adjuster has violated a provision of the bill, the
15 commissioner shall reduce the findings of the hearing to writing
16 and deliver a copy to the adjuster. Upon a determination by the
17 commissioner that an adjuster has engaged in any act or practice
18 constituting a violation of the bill, the commissioner may take
19 any of the civil actions described in the bill.

20 A person acting as an adjuster without proper licensure, or an
21 adjuster who willfully violates any provision of, or order issued
22 under, Code chapter 522C is guilty of a class "D" felony. When
23 the violation results in a loss of more than \$10,000, the person
24 or adjuster is guilty of a class "C" felony.

25 An adjuster who steals, converts, or misappropriates funds
26 that should be held in trust in a fiduciary capacity is guilty
27 of a class "D" felony. When the violation results in a loss of
28 more than \$10,000, the adjuster is guilty of a class "C" felony.

29 A class "D" felony is punishable by confinement for no more
30 than five years and a fine of at least \$1,025 but not more than
31 \$10,245. A class "C" felony is punishable by confinement for no
32 more than 10 years and a fine of at least \$1,370 but not more
33 than \$13,660.

34 The commissioner may refer evidence concerning violations of
35 the bill to the attorney general or the county attorney who may

1 institute criminal proceedings.

2 Any contract that is entered into by an insured with a person
3 who is not a licensed public adjuster shall be void, and the
4 insured is not liable for the payment of any past or future
5 services by the person under that contract or otherwise.

6 An adjuster whose license has been revoked or suspended,
7 or who forfeited a license, may apply to the commissioner for
8 reinstatement or reissuance and submit to a criminal history
9 check. An applicant shall not be eligible for reinstatement
10 or reissuance until the applicant satisfies the requirements
11 detailed in the bill.

12 An application for reinstatement or reissuance shall allege
13 facts as required by the bill, and the burden of proof is on
14 the adjuster to establish such facts. An adjuster may request
15 reinstatement of a suspended license prior to the end of the
16 suspension term. If an order of revocation or suspension did
17 not establish terms on which reinstatement or reissuance may
18 occur, or if the license was forfeited, an initial application
19 for reinstatement or reissuance shall not be made until at least
20 one year from the date of the order. All proceedings on the
21 application for reinstatement or reissuance shall be held in
22 accordance with Code chapter 17A.

23 If an adjuster's ordered suspension period ends prior to the
24 adjuster's license expiration date, and the adjuster applies
25 for reinstatement and meets all requirements, the division shall
26 reinstate the license as soon as practicable but no earlier than
27 the end of the suspension period. If an adjuster's license
28 is suspended beyond the adjuster's license expiration date, the
29 adjuster must apply for reissuance. A submission of voluntary
30 forfeiture of a license shall be made to the commissioner
31 pursuant to the requirements detailed in the bill.

32 The commissioner may deny an application for reinstatement
33 or reissuance, or bring an additional immediate action, if an
34 adjuster has engaged in an additional violation of Code chapter
35 507B or 522C.

1 The commissioner shall deny an adjuster's application for
2 license issuance, renewal, reinstatement, or reissuance; suspend
3 a current license; or revoke a currently suspended license,
4 upon receipt of a certificate of noncompliance from the child
5 support recovery unit or the centralized collection unit of the
6 department of revenue.

7 DIVISION VI — LICENSING AND REGULATION OF APPRAISERS AND
8 UMPIRES. Under the bill, the commissioner may require a criminal
9 history check on an applicant that applies for an initial license
10 as an appraiser, or an umpire; or a renewal, reinstatement, or
11 reissuance of a license if the license of an appraiser or an
12 umpire has been revoked or suspended. The commissioner may adopt
13 rules to administer this division of the bill.

14 Under the bill, a person shall not act as, or represent that
15 the person is, an appraiser or an umpire unless the person is
16 licensed.

17 A person applying for an appraiser or umpire license shall
18 submit an application prescribed by the commissioner. To be
19 eligible for licensure under the bill, a person shall meet all
20 of the criteria detailed in the bill. A person who meets the
21 requirements for licensure, unless otherwise denied licensure
22 pursuant to the bill, shall be issued an appraiser license or an
23 umpire license that is valid for two years. Applicable fees are
24 detailed in the bill.

25 An appraiser's license and an umpire's license shall contain
26 the information described in the bill. An appraiser and
27 an umpire shall be required to complete continuing education
28 requirements, as prescribed by the division, to be eligible for
29 license renewal or reinstatement.

30 An appraiser and an umpire shall inform the division of a
31 change of legal name or business address within 30 calendar days
32 of the change. Failure to timely inform the division may result
33 in a penalty.

34 The division shall publish an appraiser list and an umpire
35 list on the division's internet site, and include all required

1 information as detailed in the bill.

2 Prior to approving a business entity's application for a
3 license as an appraiser, the commissioner shall find that
4 the business entity has designated an individual appraiser to
5 be responsible for the business entity's compliance with the
6 insurance laws and rules.

7 An appraiser or an umpire may apply for reinstatement of an
8 expired license up to one year after the license expiration date
9 by meeting the requirements of the bill. An appraiser or an
10 umpire who fails to apply for license reinstatement within one
11 year must apply for a new license. An appraiser or an umpire who
12 surrendered a license and stated an intent to exit the appraiser
13 business may file a request to reactivate the license within 90
14 calendar days of the date the license was placed on inactive
15 status.

16 Each party to an appraisal shall be responsible for the
17 party's own appraiser's fees and expenses, an equal share of all
18 reasonable and necessary fees and expenses incurred by an umpire,
19 and an equal share of all reasonable and necessary costs incurred
20 in the course of conducting the appraisal. An appraiser or an
21 umpire shall not charge any party on a basis dependent on the
22 outcome of the written itemized award, or charge in a manner
23 that relies on a barter arrangement, gift, favor, or in-kind
24 exchange. Prior to the conclusion of an appraisal process, an
25 appraiser or umpire shall not require, demand, or accept any fee
26 unless the loss is being handled by the appraiser or umpire on a
27 time-plus-expense basis. An appraiser or umpire shall not charge
28 a fee if the appraiser or umpire abandons the appraisal prior to
29 the umpire issuing a written itemized award.

30 The required standards of conduct for, and duties of, an
31 appraiser and an umpire are detailed in the bill. An appraiser
32 or umpire who fails to comply with the standards and duties shall
33 be subject to penalties.

34 The process for an appraisal is detailed in the bill. The
35 claimant and the insurer must both provide the other party with

1 a list stating separately the actual cash value and the amount
2 of claimed loss for each item at issue. Within 20 calendar days
3 of receipt of a written demand for an appraisal, the claimant
4 and the insurer shall each select an appraiser from the appraiser
5 list. Upon selection, the appraiser shall attest that the
6 appraiser is competent and disinterested with regards to the
7 appraisal.

8 Within 15 calendar days of the selection of appraisers, both
9 appraisers shall agree on an umpire from the umpire list. A
10 party or an appraiser may object to the umpire for good cause no
11 later than five business days after the umpire has been selected.
12 A replacement umpire shall then be selected by both appraisers
13 from the umpire list. If both appraisers fail to agree on an
14 umpire, the division shall randomly select an umpire from the
15 umpire list and notify the parties. If either appraiser requests
16 that an umpire be selected by a judge, a judge shall give
17 deference to the randomly selected umpire from the umpire list by
18 the division unless either the claimant or the insurer provides
19 good cause for the judge to make an alternative selection.

20 Within 45 calendar days from the date the umpire is
21 selected, both appraisers shall appraise the loss and submit
22 the appraiser's actual cash value and amount of loss of each
23 item to the umpire. Each appraiser shall also submit written
24 authorization for the umpire to commence work. No later than 45
25 calendar days after receipt of the actual cash value and amount
26 of loss, the umpire shall prepare and provide to the parties and
27 each appraiser a written itemized award showing the actual cash
28 value and amount of loss.

29 All property insurance policies delivered, issued for
30 delivery, continued, or renewed in this state on or after January
31 1, 2026, shall contain an appraisal clause that complies with the
32 bill.

33 An appraiser and umpire shall act with due diligence in
34 achieving an appraisal award. A insurer's payment of an
35 appraisal award to an insured shall be subject to applicable

1 policy terms and conditions, limits, and deductibles. Unless
2 otherwise agreed on by the parties, an appraisal award shall be
3 binding and paid by the insurer within 60 calendar days of the
4 award being submitted to the insurer.

5 An appraiser or umpire shall report to the commissioner any
6 administrative action taken against the appraiser or umpire
7 within 30 calendar days of the final disposition. Within
8 30 calendar days of the initial pretrial hearing date, an
9 appraiser or umpire shall report to the commissioner any criminal
10 prosecution of the appraiser or umpire. An appraiser or umpire
11 who willfully fails to comply with such requirements is subject
12 to penalty.

13 An appraiser or umpire has a continuing duty and obligation
14 to keep usual and customary records pertaining to appraisals in
15 accordance with the requirements of the bill. An appraiser or
16 umpire who willfully fails to comply with such requirements is
17 subject to penalty.

18 Whenever the commissioner believes that a person has been
19 engaged or is engaging in a violation of the bill, and that a
20 proceeding by the commissioner would be in the public interest,
21 the commissioner shall issue and serve a statement of the charges
22 and a notice of a hearing.

23 The division may place on probation, suspend, revoke, or
24 refuse to issue or renew an appraiser's license or an umpire's
25 license, and may levy a civil penalty for any of the causes
26 detailed in the bill. If the commissioner does not renew a
27 license or denies an application for a license, the commissioner
28 shall notify the applicant, appraiser, or umpire and advise of
29 the reason for nonrenewal or denial. The applicant, appraiser,
30 or umpire may request a hearing within 30 calendar days from
31 the date of the notice. A hearing shall be conducted pursuant
32 to the requirements detailed in the bill. The license of
33 an umpire, an appraiser, or an appraiser business entity may
34 be suspended, revoked, placed on probation, or refused if the
35 commissioner finds that an umpire's, appraiser's, or appraiser

1 business entity's violation was known or should have been known
2 by a partner, officer, or manager of the business entity and
3 the violation was not reported to the commissioner and corrective
4 action was not taken.

5 In addition to, or in lieu of, denial, probation, suspension,
6 or revocation of a license, an appraiser or umpire may be
7 subject to a civil penalty. The commissioner may conduct an
8 investigation and may enforce the provisions of the bill.

9 All investigative information in the possession of the
10 commissioner that relates to appraiser or umpire discipline
11 is privileged and confidential, and may only be disclosed as
12 described in the bill. On appeal by the appraiser or umpire, the
13 commissioner shall transmit the entire record of the contested
14 case to the reviewing court. Upon a determination by the
15 commissioner, after hearing, that an appraiser or umpire has
16 violated a provision of the bill, the commissioner shall reduce
17 the findings of the hearing to writing and deliver a copy of the
18 findings to the appraiser or umpire, and the commissioner may
19 take any of the actions described in the bill.

20 A person acting as an appraiser or an umpire without proper
21 licensure, or an appraiser or an umpire who willfully violates
22 any provision of, or an order issued under, the bill is guilty
23 of a class "D" felony. When the violation results in a loss of
24 more than \$10,000, the person or adjuster is guilty of a class
25 "C" felony.

26 A class "D" felony is punishable by confinement for no more
27 than five years and a fine of at least \$1,025 but not more than
28 \$10,245. A class "C" felony is punishable by confinement for no
29 more than 10 years and a fine of at least \$1,370 but not more
30 than \$13,660.

31 The commissioner may refer such evidence concerning violations
32 of the bill, or of the failure of a person to comply with the
33 licensing requirements under the bill, to the attorney general or
34 the district attorney who may institute criminal proceedings.

35 An appraiser or an umpire whose license has been revoked or

1 suspended by order, or who forfeited a license, may apply to
2 the commissioner for reinstatement or reissuance, and submit to
3 a criminal history check.

4 All proceedings on the application for reinstatement or
5 reissuance shall be held in accordance with Code chapter 17A.
6 An order of reinstatement or reissuance shall be based on a
7 written decision, and may impose such terms and conditions as the
8 commissioner deems appropriate.

9 If an appraiser's or an umpire's ordered suspension period
10 ends prior to the appraiser's or umpire's license expiration
11 date and the adjuster applies for reinstatement and meets
12 all applicable requirements, the division shall reinstate the
13 license as soon as practicable but no earlier than the end
14 of the suspension period. If an appraiser's or an umpire's
15 license is suspended beyond the license expiration date, the
16 appraiser or umpire must apply for reissuance. A submission of
17 voluntary forfeiture of a license shall be made in writing to the
18 commissioner.

19 The commissioner may deny an application for reinstatement
20 or reissuance, or bring an additional immediate action, if an
21 appraiser or an umpire has engaged in additional violations.

22 The commissioner shall deny an appraiser's or umpire's
23 application for license issuance, renewal, reinstatement, or
24 reissuance; suspend a current license; or revoke a currently
25 suspended license, upon receipt of a certificate of noncompliance
26 from the child support recovery unit or the centralized
27 collection unit of the department of revenue.

28 DIVISION VII — IOWA ECONOMIC EMERGENCY FUND PROCLAMATION
29 OF DISASTER EMERGENCY. Under current law, moneys in the Iowa
30 economic emergency fund may only be used pursuant to an
31 appropriation by the general assembly, including for purposes of
32 reducing or preventing an overdraft on or deficit in the general
33 fund of the state. Each fiscal year, the bill appropriates up to
34 10 percent of the maximum balance of the Iowa economic emergency
35 fund to the department of management (DOM) for disaster response,

1 disaster recovery activities, or disaster aid to citizens, at the
2 direction of the governor, with the approval of the executive
3 council, following a proclamation of disaster emergency. The
4 bill allows the DOM, subject to approval of the governor, to
5 provide for an interdepartmental transfer of the moneys to
6 another state entity for the purposes specified, notwithstanding
7 the limitations and requirements of Code section 8.39, including
8 notification of the general assembly. If the DOM determines the
9 appropriated moneys are no longer necessary for the designated
10 purposes, the remaining moneys shall revert to the Iowa economic
11 emergency fund.

12 DIVISION VIII — IOWA ECONOMIC EMERGENCY FUND —

13 APPROPRIATIONS. For FY 2024-2025, there is appropriated from
14 the Iowa economic emergency fund to the economic development
15 authority for deposit in the nuisance property remediation
16 assistance fund \$2 million. For FY 2024-2025, there is
17 appropriated from the Iowa economic emergency fund to the Iowa
18 finance authority for deposit in the disaster recovery housing
19 assistance program fund \$11.6 million. This division of the bill
20 takes effect upon enactment.