

Senate Study Bill 1188 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR BILL)

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:

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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.

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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. "Consumer advocate" means a consumer
4 advocate appointed pursuant to section 505.8, subsection 6,
5 paragraph "b", subparagraph (1).

6 NEW PARAGRAPH. 00b. "Post-loss assignment" means any
7 instrument by which post-loss benefits, rights, or duties of
8 a named insured under a residential property and casualty
9 insurance policy are assigned or transferred to a residential
10 contractor. The post-loss assignment must only assign the
11 insurance proceeds a named insured is entitled to receive
12 from the named insured's insurer for the repair, replacement
13 construction, or reconstruction of the named insured's property.

14 Sec. 29. Section 515.137A, subsections 3, 4, and 5, Code
15 2025, are amended by striking the subsections and inserting in
16 lieu thereof the following:

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

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

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

27 c. Acting as a public adjuster without being licensed under
28 chapter 522C.

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

33 (1) Additional living expenses.

34 (2) Loss of use.

35 4. a. A post-loss assignment must include all of the

1 following:

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

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

5 (3) A total itemized amount to be paid for the work to be
6 performed.

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

11 _____ YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER
12 YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND THIS DOCUMENT
13 BEFORE SIGNING.

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

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

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

31 _____ YOU MUST CANCEL THE POST-LOSS ASSIGNMENT IN WRITING AND
32 THE CANCELLATION MUST BE DELIVERED TO (name and address
33 of residential contractor as provided by the residential
34 contractor). IF THE ASSIGNEE HAS NOT BEGUN SUBSTANTIALLY
35 PERFORMING WORK ON THE PROPERTY, YOU MAY CANCEL THIS POST-LOSS

1 ASSIGNMENT WITHOUT PENALTY AFTER AT LEAST THIRTY (30) CALENDAR
2 DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO
3 COMMENCE, OR AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER
4 THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED IF THE POST-LOSS
5 ASSIGNMENT DOES NOT CONTAIN A COMMENCEMENT DATE.

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

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

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

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

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

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

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

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

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

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

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

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

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

35 7. For a minimum of seventy-two hours following a

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

14 8. A post-loss assignment entered into with a residential
15 contractor shall be void if the residential contractor violates
16 this section.

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

19 DIVISION V

20 PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS

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

23 NEW PARAGRAPH. v. *Adjuster financial responsibility.*

24 Failure of an adjuster to comply with section 522C.7.

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

27 c. A renewal, reinstatement, or reissuance of a license if
28 the license of a producer has been revoked or suspended pursuant
29 to section 522B.11, the license of a ~~public~~ an adjuster has been
30 revoked or suspended pursuant to section ~~522C.6~~ 522C.13, or the
31 license of a viatical settlement provider or viatical settlement
32 broker has been revoked or suspended pursuant to section 508E.4.

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

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

1 **522C.1 Purpose.**

2 The purpose of this chapter is to govern the qualifications
3 and procedures for licensing public adjusters in this state, and
4 to specify the duties of and restrictions on public adjusters,
5 including limitation of such licensure to assisting insureds only
6 with first-party claims.

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

9 **522C.2 Definitions.**

10 As used in this chapter, unless the context otherwise
11 requires:

12 1. "*Adjuster*" means a public adjuster, an independent
13 adjuster, or a licensed staff adjuster. A person that acts as
14 an adjuster solely for a crop hail insurance or a multiperil crop
15 insurance claim shall not be subject to this chapter.

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

20 3. "*Business entity*" means a corporation, association,
21 partnership, limited liability company, limited liability
22 partnership, or any other legal entity.

23 4. *a.* "*Catastrophic disaster*" means an event that results in
24 all of the following:

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

26 (2) Extensive damage or destruction of facilities that
27 provide and sustain human needs.

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

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

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

34 *b.* "*Catastrophic disaster*" includes a major disaster
35 declaration by the president of the United States or a state of

1 disaster emergency proclamation by the governor.

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

3 6. "*Consumer advocate*" means a consumer advocate appointed
4 pursuant to section 505.8, subsection 6, paragraph "b",
5 subparagraph (1).

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

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

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

13 10. "*Home state*" means the District of Columbia, or any state
14 or territory of the United States in which an adjuster maintains
15 the adjuster's principal place of residence or principal place of
16 business.

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

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

23 b. Investigates, negotiates, or settles property, casualty,
24 or workers' compensation claims for insurers or for
25 self-insurers.

26 12. "*Insured*" means a person covered under an insurance
27 policy against which a claim is made.

28 13. "*NAIC*" means the national association of insurance
29 commissioners.

30 14. "*NIPR gateway*" means the communication network developed
31 and operated by the national insurance producer registry that
32 links state insurance regulators with regulated entities to
33 facilitate the electronic exchange of adjuster information,
34 including but not limited to license applications, license
35 renewals, appointments, and terminations.

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

2 16. "Producer database" means the national database of
3 insurance producers maintained by the NAIC.

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

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

9 b. Advertises for employment as a public adjuster of
10 first-party insurance claims or otherwise solicits business or
11 represents to the public that the person is a public adjuster
12 of first-party insurance claims for loss or damage to real or
13 personal property of an insured.

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

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

21 19. "Reissuance" means the issuance of a new license
22 following the revocation of a license, the suspension and
23 subsequent termination of a license, or the forfeiture of a
24 license in connection with a disciplinary matter.

25 20. "Staff adjuster" means a person who is directly employed
26 by an insurer or self-insurer to investigate, negotiate, or
27 settle property, casualty, or workers' compensation claims.

28 21. "Uniform business entity application" means the most
29 recent version of NAIC's uniform application for business entity
30 license and registration.

31 22. "Uniform individual application" means the most recent
32 version of NAIC's uniform application for individual adjuster or
33 apprentice license and registration.

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

1 **522C.3 Authority of the commissioner.**

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

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

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

24 **522C.4 License required.**

25 1. A person shall not act as, or represent that the person
26 is, a public adjuster or an independent adjuster in this state
27 unless the person is licensed under this chapter.

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

- 30 a. A staff adjuster; however, staff adjusters shall comply
31 with all other provisions of this chapter not including section
32 522C.7.
- 33 b. An attorney licensed to practice law in the state when
34 acting within their professional capacity as an attorney.
- 35 c. A person employed only for the purpose of obtaining

1 facts surrounding a loss, or furnishing technical assistance
2 to a licensed adjuster, including but not limited to a
3 photographer, estimator, private investigator, engineer, and
4 handwriting expert.

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

7 **522C.5 Application for license.**

8 1. A person applying for an adjuster license shall complete
9 a uniform individual application or a uniform business entity
10 application through the NIPR gateway or as otherwise prescribed
11 by the commissioner.

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

15 Sec. 37. NEW SECTION. **522C.5A Individual applicants —**
16 **resident adjuster.**

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

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

21 2. The applicant has not committed any act that is a ground
22 for denial, suspension, or revocation of a license under section
23 522C.13.

24 3. The applicant has the requisite character and competence
25 to be licensed as an adjuster, as may be determined by the
26 commissioner.

27 4. The applicant is financially responsible pursuant to
28 section 522C.7.

29 5. The applicant has paid all fees required under this
30 chapter.

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

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

35 8. The applicant successfully passed the adjuster examination

1 pursuant to section 522C.8.

2 9. The applicant submitted contracts and any subsequent
3 contract modification to the commissioner for review and approval
4 prior to use. A contract that has been filed is deemed to
5 be approved unless disapproved or additional information is
6 requested by the commissioner within thirty calendar days of
7 receipt of the filing by the commissioner.

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

10 Sec. 38. NEW SECTION. **522C.5B Individual applicants —**
11 **nonresident adjuster.**

12 Before approving a nonresident applicant's application for
13 a nonresident adjuster license, the commissioner shall find
14 that the nonresident applicant meets all of the following
15 requirements:

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

19 2. The nonresident applicant is licensed as a resident
20 adjuster and in good standing in the nonresident applicant's
21 home state. If the nonresident applicant's resident license
22 in the nonresident applicant's home state terminates for any
23 reason, a license issued to a nonresident applicant under this
24 section shall become inactive, unless the termination is due to
25 the nonresident applicant being issued a new resident adjuster
26 license in the nonresident applicant's home state and the home
27 state has reciprocity with this state.

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

31 4. The nonresident applicant has the requisite character and
32 competence to be licensed as an adjuster, as may be determined by
33 the commissioner.

34 5. The nonresident applicant is financially responsible
35 pursuant to section 522C.7.

1 6. The nonresident applicant has paid all fees required under
2 this chapter.

3 7. The nonresident applicant has obtained any necessary
4 authority from the Iowa secretary of state to transact business
5 in this state.

6 8. The nonresident applicant filed contracts with the
7 commissioner for review and approval prior to use. A contract
8 that has been filed is deemed to be approved unless disapproved
9 or additional information is requested by the commissioner
10 within thirty calendar days of receipt of the filing by the
11 commissioner.

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

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

16 Prior to approving a business entity's application for a
17 license for a resident public adjuster or resident independent
18 adjuster, the commissioner shall find that the business entity
19 meets all of the following requirements:

20 1. The business entity has designated an individual adjuster
21 licensed in this state to be responsible for the business
22 entity's compliance with the insurance laws and administrative
23 rules of this state.

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

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

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

32 5. The business entity has paid all fees required under this
33 chapter.

34 6. The business entity maintains an office in the business
35 entity's home state with public access by reasonable appointment

1 or regular business hours.

2 7. The business entity submitted contracts and any subsequent
3 contract modification to the commissioner for review and approval
4 prior to use. A contract that has been filed is deemed to
5 be approved unless disapproved or additional information is
6 requested by the commissioner within thirty calendar days of
7 receipt of the filing by the commissioner.

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

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

13 Before approving a nonresident business entity's application
14 for a nonresident public adjuster license or a nonresident
15 independent adjuster license, the commissioner shall find that
16 the nonresident business entity meets all of the following
17 requirements:

18 1. The nonresident business applicant has designated an
19 individual adjuster licensed in this state to be responsible
20 for the nonresident business applicant's compliance with the
21 insurance laws and administrative rules of this state.

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

25 3. The nonresident business applicant has the requisite
26 character and competence to be licensed as an adjuster, as may
27 be determined by the commissioner.

28 4. The nonresident business applicant is financially
29 responsible pursuant to section 522C.7.

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

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

35 7. The nonresident business applicant submitted contracts and

1 any subsequent contract modification to the commissioner for
2 review and approval prior to use. A contract that has been
3 filed is deemed to be approved unless disapproved or additional
4 information is requested by the commissioner within thirty
5 calendar days of receipt of the filing by the commissioner.

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

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

11 **522C.6 Fees — license issuance, renewal, or reinstatement,**
12 **and examination.**

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

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

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

18 3. The fee for reinstatement of an adjuster license is fifty
19 dollars.

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

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

25 6. The fee for an examination under section 522C.8 may be set
26 by a third-party testing service under contract with the division
27 to administer the examination. The fee must be approved by the
28 division.

29 7. Fees shall be paid electronically through the NIPR
30 gateway.

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

32 1. Prior to issuance of a license under section 522C.5A,
33 522C.5B, 522C.5C, or 522C.5D, an applicant shall secure evidence
34 of financial responsibility through a surety bond as prescribed
35 by the commissioner. The surety bond shall be executed and

1 issued by an insurer authorized to issue surety bonds in this
2 state and meet the following requirements:

3 a. The surety bond shall be a minimum of fifty thousand
4 dollars.

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

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

13 2. The division may request that an adjuster provide evidence
14 of financial responsibility at any time the division deems
15 relevant.

16 3. An adjuster shall immediately notify the division if the
17 adjuster's evidence of financial responsibility terminates in
18 violation of subsection 1, paragraph "c", or becomes impaired,
19 and the adjuster's license shall become inactive until the
20 adjuster provides the division with evidence of financial
21 responsibility.

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

23 1. An individual applying for a license under this chapter
24 shall pass a written examination, unless exempt pursuant to
25 section 522C.9. The examination shall test the knowledge of
26 the individual concerning the duties and responsibilities of an
27 adjuster and the insurance laws and administrative rules of this
28 state, and shall be conducted as prescribed by the division.

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

31 3. An individual who fails to appear for a scheduled
32 examination, or who fails to pass the examination, may reapply
33 for examination and must remit the required fee to be scheduled
34 for another examination.

35 4. The results of an examination shall be valid to submit

1 for licensure for ninety calendar days after the date of the
2 examination.

3 Sec. 44. NEW SECTION. **522C.9 Examination — exemption.**

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

9 2. An individual who relocates to this state and who was a
10 licensed adjuster in another state that required an examination
11 that included Iowa-specific statutes and administrative rules
12 shall not be required to apply for examination under section
13 522C.8 if the individual submits an application for a resident
14 adjuster license under section 522C.5A within ninety calendar
15 days of establishing legal residency, and any of the following
16 apply:

17 a. The individual is currently a licensed adjuster in the
18 state from which the applicant relocated.

19 b. The state from which the applicant relocated issues
20 a certification that the applicant is licensed and in good
21 standing.

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

26 Sec. 45. NEW SECTION. **522C.10 Public adjuster and insured**
27 **— contract for services.**

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

1 (1) The full name, address, telephone number, and license
2 number of the public adjuster presenting and negotiating the
3 contract and, if applicable, the full name, address, telephone
4 number, and license number of the business entity the public
5 adjuster is associated with.

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

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

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

13 (5) A signature of the public adjuster and of the insured,
14 and the date the public adjuster and the insured each signed the
15 contract.

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

18 (7) An explanation of the amount payable to the public
19 adjuster, and how the amount is calculated, which may include any
20 of the following:

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

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

26 (c) If a percentage of settlement, the contract must state
27 the exact percentage applied to the settlement on the claim.

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

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

32 (a) Fifteen percent of all claim payments approved by the
33 insurer after the date the contract is fully executed for any
34 noncatastrophic disaster insurance claim settlement.

35 (b) Ten percent of all claim payments approved by the

1 insurer after the date the contract is fully executed for any
2 catastrophic disaster insurance claim settlement.

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

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

8 (11) The initial expenses of the public adjuster that will
9 be reimbursed from the proceeds of the claim payment shall be
10 specified by expense type, with reimbursement estimates set forth
11 in the contract. Any additional expenses for which the public
12 adjuster requests reimbursement shall be disclosed in writing
13 to the insured, and must be approved by the insured prior to
14 reimbursement.

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

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

20 (14) The process for rescinding the contract, including the
21 date by which rescission of the contract by the public adjuster
22 or the insured must occur. The public adjuster shall provide
23 notice of the insured's rights under chapter 555A, and the
24 insured may rescind the contract as provided in chapter 555A. A
25 contract shall not be construed to prevent an insured from
26 pursuing a civil remedy after the revocation or cancellation
27 period. If the insured rescinds the contract, anything of value
28 given by the insured shall be returned to the insured within
29 fifteen business days following receipt of the cancellation
30 notice by the public adjuster.

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

35 2. If the insurer, no later than five calendar days after

1 the date on which the insured's loss is reported to the insurer,
2 either pays or commits in writing to pay to the insured the
3 policy limit of the insured's insurance policy, the public
4 adjuster shall:

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

7 b. Only be entitled to reasonable compensation from the
8 insured for services provided on behalf of the insured based on
9 the time spent on the claim, and the expenses incurred by the
10 public adjuster, until the date the insurer pays the claim or
11 provides the insured with a written commitment that the insurer
12 will pay the claim.

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

15 a. Allows the public adjuster's percentage of a settlement
16 to be collected if money is still due from an insurer, or that
17 allows the public adjuster to collect the entire percentage of
18 a settlement from any single payment issued by an insurer rather
19 than as a percentage of each payment issued by the insurer.

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

22 c. Imposes collection costs or late fees.

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

25 e. Precludes either an insured or the public adjuster from
26 pursuing civil remedies.

27 f. Restricts an insured's right to initiate or maintain
28 direct communication with the insured's attorney or insurer, with
29 the insurer's adjuster or attorney, or any other person regarding
30 settlement of the insured's claim.

31 g. Grants the public adjuster power of attorney or limited
32 power of attorney of the insured.

33 h. Requires the insured to use a particular business entity
34 or individual for the reconstruction, repair, or restoration of
35 the insured's damaged property.

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

5 DISCLOSURE DOCUMENT

6 REGARDING THE CLAIM PROCESS

7 1. PROPERTY INSURANCE POLICIES OBLIGATE THE INSURED TO
8 PRESENT A CLAIM TO THE INSURED'S INSURER FOR CONSIDERATION.
9 THERE ARE THREE TYPES OF ADJUSTERS THAT MAY BE INVOLVED IN THAT
10 PROCESS. THE THREE TYPES ARE AS FOLLOWS:

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

14 (B) "INDEPENDENT ADJUSTER" IS DEFINED IN IOWA CODE SECTION
15 522C.2. AN INDEPENDENT ADJUSTER IS CONTRACTED BY THE INSURER TO
16 REPRESENT THE INSURER. THEY WILL NOT CHARGE THE INSURED A FEE.

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

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

24 3. THE INSURED HAS THE RIGHT TO INITIATE DIRECT
25 COMMUNICATIONS WITH THE INSURED'S ATTORNEY, THE INSURED'S
26 INSURANCE COMPANY, THE INSURANCE COMPANY'S STAFF ADJUSTER OR
27 INDEPENDENT ADJUSTER, THE INSURANCE COMPANY'S ATTORNEY, OR ANY
28 OTHER PERSON REGARDING THE SETTLEMENT OF THE INSURED'S CLAIM.

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

34 5. THE AMOUNT PAYABLE TO A PUBLIC ADJUSTER, WHICH CAN INCLUDE
35 A SALARY, FEE, COMMISSION, OR OTHER CONSIDERATION AS OUTLINED IN

1 THE CONTRACT, IS THE OBLIGATION OF THE INSURED, NOT THE INSURER.

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

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

8 6. Within seventy-two hours of executing a contract with an
9 insured under this section, the public adjuster shall provide the
10 insured's insurer a notification letter, which has been signed
11 by the insured, authorizing the public adjuster to represent the
12 insured's interest. The insurer shall verify that the public
13 adjuster is currently licensed with the division.

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

17 Sec. 46. NEW SECTION. **522C.11 Adjusters — standards of**
18 **conduct.**

19 1. A public adjuster shall serve with objectivity and
20 complete loyalty to the interest of the insured. A public
21 adjuster shall render to the insured in good faith information,
22 counsel, and service, that in the opinion of the public adjuster
23 will best serve the insured's insurance claim needs and interest.
24 These duties extend to the claims process and include providing
25 timely responses to both the insurer and the insured.

26 2. For a minimum of seventy-two hours following a
27 catastrophic disaster, to allow time for the commissioner to
28 safely deploy consumer protection resources, a public adjuster
29 shall not, in person or by telephone, directly offer to contract,
30 attempt to offer to contract, or enter into an adjuster
31 contract with an insured unless the offer to contract, the
32 attempt to offer to contract, or entering into a contract
33 is initiated by a consumer. If the commissioner deems the
34 severity of the catastrophic disaster to have placed people
35 under duress, the commissioner shall immediately dispatch the

1 consumer advocate and other personnel to the disaster area to
2 provide consumer guidance. If, after a public hearing, the
3 commissioner determines that, due to the scope and severity of
4 the catastrophic disaster, additional time is necessary to safely
5 deploy additional consumer protection resources, the commissioner
6 may extend the time period that a public adjuster shall not
7 offer to contract, attempt to offer to contract, or enter into
8 a contract for an additional seventy-two hours.

9 3. A public adjuster shall not solicit between the hours of
10 8:00 p.m. and 9:00 a.m. Solicitation shall include but is not
11 limited to a door-to-door sale as that term is defined in section
12 555A.1.

13 4. A public adjuster, or an independent adjuster, shall not
14 permit an unlicensed employee or representative of the public
15 adjuster or independent adjuster, nor any person associated with
16 a claim, to conduct business for which a license is required
17 under this chapter.

18 5. An adjuster shall not have a direct or indirect financial
19 interest in any aspect of a claim other than the amount payable
20 pursuant to the written contract with an insured under section
21 522C.10.

22 6. An adjuster shall not acquire any interest in salvage of
23 property.

24 7. An adjuster shall not undertake the adjustment of any
25 claim if the adjuster is not competent and knowledgeable as
26 to the terms and conditions of the insurance coverage, or if
27 the loss or coverage otherwise exceeds the adjuster's current
28 expertise.

29 8. An independent adjuster or public adjuster shall maintain
30 all documentation relating to all estimates and coverage
31 determinations for a minimum of five years from the date of
32 completion of a settlement.

33 9. An adjuster shall not knowingly make any false oral or
34 written material statements regarding any person engaged in the
35 business of insurance, or any other adjuster, to an insured who

1 is a client or potential client.

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

6 b. If a public adjuster is unavailable after reasonable
7 request by an insurer, resulting in delay of the insurer's
8 timely inspection of the property, the insured shall allow the
9 insurer to have access to the property without the participation
10 or presence of the public adjuster to facilitate the insurer's
11 prompt inspection of the loss or damage.

12 11. An adjuster shall respond to an inquiry from an insurer
13 or an insured regarding a claim within fifteen business days
14 of the date of the inquiry unless good cause exists for delay.
15 The adjuster shall reply within fifteen business days to all
16 pertinent communications from the insured, the insurer, or a
17 representative of the insured or the insurer that reasonably
18 suggest that a response is expected.

19 12. Upon receiving notification of a claim, an insurer shall
20 provide necessary claim forms, instructions, and reasonable
21 assistance within fifteen business days of notification of the
22 claim so that first-party claimants can comply with the policy
23 conditions and the insurer's reasonable requirements.

24 13. An adjuster shall not act as an appraiser and as an
25 adjuster on the same claim.

26 14. An adjuster shall not act as an umpire and as an adjuster
27 on the same claim.

28 15. A public adjuster shall not enter into a contract or
29 accept a power of attorney or limited power of attorney for an
30 insured.

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

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

35 17. A staff adjuster may be licensed as a public adjuster

1 or as an independent adjuster, but shall be prohibited from
2 providing services as an independent adjuster or a public
3 adjuster while employed as a staff adjuster.

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

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

10 a. A direct or indirect financial interest with a person
11 responsible for the reconstruction, repair, or restoration of
12 damaged property that is the subject of a claim, or with a person
13 involved in resolving a claim valuation dispute.

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

18 c. Being an owner, employee, agent, investor, or having other
19 financial interest in a business entity responsible for the
20 reconstruction, repair, or restoration of damaged property that
21 is the subject of a claim, or having an immediate family member
22 who is an owner, employee, agent, or investor in a business
23 entity responsible for the reconstruction, repair, or restoration
24 of a damaged property that is the subject of a claim.

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

28 e. Using claim information obtained in the course of a claim
29 investigation for commercial purposes including marketing or
30 advertising for the benefit of the adjuster.

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

34 21. An adjuster shall not represent, directly or indirectly,
35 that damage has occurred at a property unless the adjuster has

1 inspected the damaged areas of the property.

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

5 23. A public adjuster shall not offer to pay an insured's
6 deductible, or claim that the insured's deductible will be
7 waived, as an inducement to use the services of the public
8 adjuster.

9 24. An adjuster shall respond reasonably promptly to
10 inquiries by the division.

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

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

16 a. Held in a fiduciary capacity.

17 b. Deposited by the adjuster into one or more separate
18 noninterest-bearing fiduciary trust accounts in a financial
19 institution licensed to do business in this state no later
20 than the close of the second business day from the date the
21 public adjuster received the funds, and either deposited in the
22 insured's name or in the name of the public adjuster as trustee
23 for the insured, to be held and administered as a trust account
24 for the benefit and protection of the insured.

25 c. Held separately from personal or nonbusiness funds.

26 d. Held separately from other business funds.

27 e. Listed specifically and separately, by the insured's name
28 and the amount in trust in the book of accounts and records
29 of the public adjuster. The book of accounts and records must
30 indicate the fiduciary nature of the account and any amounts
31 deposited or withdrawn.

32 f. Disbursed within thirty calendar days of receipt of an
33 invoice by the public adjuster from a contractor that completed
34 work, if the public adjuster receives approval of the insured
35 that the work was satisfactorily completed.

1 27. A public adjuster shall comply with all applicable local
2 ordinances.

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

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

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

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

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

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

23 a. The adjuster provided incorrect, misleading, incomplete,
24 or materially untrue information in a license application.

25 b. The adjuster violated an insurance law, regulation,
26 subpoena, or order of the commissioner or of a commissioner of
27 another state.

28 c. The adjuster obtained or attempted to obtain a license
29 through misrepresentation or fraud.

30 d. The adjuster improperly withheld, misappropriated, or
31 converted money or property received in the course of doing
32 business.

33 e. The adjuster was convicted of a felony.

34 f. The adjuster admitted to, or was found to have committed,
35 any unfair trade practice or fraud.

1 g. The adjuster used fraudulent, coercive, or dishonest
2 practices, or demonstrated incompetence, untrustworthiness, or
3 financial irresponsibility, or was a source of injury or loss in
4 the conduct of business in this state or elsewhere.

5 h. The adjuster had any professional license, or its
6 equivalent, denied, suspended, or revoked in this state or any
7 other state, province, district, or territory.

8 i. The adjuster forged another's name to any document related
9 to the adjuster's work as an adjuster.

10 j. The adjuster improperly used notes or any other reference
11 material to complete an examination for an adjuster license.

12 k. The adjuster knowingly negotiated as an adjuster with an
13 individual or business entity who is not, but is required to be,
14 licensed as an adjuster, appraiser, or umpire.

15 l. The adjuster failed to comply with an administrative or
16 court order imposing a child support obligation.

17 m. The adjuster failed to comply with an administrative or
18 court order related to repayment of loans to the college student
19 aid commission.

20 n. The adjuster failed to pay state income tax or to comply
21 with any administrative or court order directing payment of state
22 income tax.

23 o. The adjuster failed or refused to cooperate in an
24 investigation conducted by the commissioner or the commissioner's
25 designee.

26 p. The adjuster intentionally misrepresented the terms of an
27 actual or proposed contract for services.

28 2. If the commissioner does not renew an adjuster's license
29 or denies an application for a license, the commissioner shall
30 notify the adjuster or applicant and advise, in writing, of
31 the reason for the nonrenewal of the license or denial of the
32 application for a license. The adjuster or applicant may request
33 a hearing on the nonrenewal or denial by filing a written request
34 for a hearing within thirty calendar days from the date of
35 notice of the nonrenewal or denial. A hearing shall be conducted

1 according to section 522C.15.

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

8 4. The license of a nonresident adjuster shall be immediately
9 inactive if the nonresident adjuster is placed on probation,
10 suspended, revoked, refused, or denied licensure in any other
11 state. The nonresident adjuster shall have seven calendar days
12 to alert the commissioner that the nonresident adjuster has been
13 placed on probation, suspended, revoked, refused, nonrenewed, or
14 denied licensure in another state. Failure to meet the reporting
15 deadline shall be a violation of this section.

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

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

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

1 record.

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

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

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

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

25 Sec. 49. NEW SECTION. **522C.14 Civil and criminal**
26 **penalties.**

27 **1. a.** Upon a determination by the commissioner after a
28 hearing conducted pursuant to chapter 17A that an adjuster has
29 violated a provision of this chapter, the commissioner shall
30 reduce the findings of the hearing to writing and deliver a copy
31 of the findings to the adjuster.

32 **b.** Upon a determination by the commissioner that an adjuster
33 has engaged, is engaging, or is about to engage in any act
34 or practice constituting a violation of this chapter or a rule
35 adopted or order issued under this chapter, the commissioner may

1 take the following actions:

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

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

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

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

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

30 (c) An adjuster violating a summary order issued under this
31 subsection shall be deemed in contempt of the summary order. The
32 commissioner may petition the district court to enforce the order
33 as certified by the commissioner. The district court shall find
34 the adjuster in contempt of the order if the court finds, after
35 conducting a hearing, that the adjuster is not in compliance

1 with the order. The court may assess a civil penalty against
2 the adjuster and may issue further orders as the court deems
3 appropriate.

4 c. In addition to any other penalty under this section,
5 if the commissioner finds that a violation of this chapter
6 was directed, encouraged, condoned, ignored, or ratified by the
7 employer of the adjuster, the commissioner shall assess a penalty
8 to the employer. Penalties under this paragraph may be retained
9 by the commissioner under section 505.7, subsection 9.

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

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

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

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

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

35 Sec. 50. NEW SECTION. **522C.15 Reinstatement or reissuance**

**1 of a license after disciplinary matters — forfeiture in lieu of
2 compliance.**

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

10 b. Proceedings for reinstatement or reissuance shall be
11 initiated by the applicant who shall file with the commissioner
12 an application for reinstatement or reissuance after disciplinary
13 action. An applicant shall not be eligible for reinstatement
14 or reissuance until the applicant satisfies the requirements
15 under section 522C.5, 522C.5A, 522C.5B, 522C.5C, or 522C.5D,
16 as applicable, and the examination requirements under section
17 522C.8. An applicant may also be required to submit a new
18 or renewal adjuster application under section 522C.5A, 522C.5B,
19 522C.5C, or 522C.5D, as applicable.

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

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

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

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

5 g. Unless otherwise provided by law, if an order of
6 revocation or suspension did not establish terms on 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 on an 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, and may include one or more penalties provided
23 under section 522C.14. The order shall be a public record and
24 may be disseminated in compliance with chapter 22.

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

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

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

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

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

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

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

28 2. Upon receipt of a certificate of noncompliance under
29 subsection 1, the commissioner shall issue a notice to the
30 adjuster that the division will, unless the certificate of
31 noncompliance is withdrawn, deny the adjuster's application
32 for license issuance, renewal, reinstatement, or reissuance,
33 suspend the adjuster's current license, or revoke the adjuster's
34 currently suspended license, thirty calendar days after the date
35 the notice is mailed. Notice shall be sent to the adjuster's

1 last known address by restricted certified mail, return receipt
2 requested, or in accordance with the division's rules for
3 service. The notice shall contain all of the following:

4 a. A statement that the commissioner intends to deny
5 the adjuster's application for license issuance, renewal,
6 reinstatement, or reissuance; suspend the adjuster's current
7 license; or revoke the adjuster's currently suspended license in
8 thirty calendar days unless the certificate of noncompliance is
9 withdrawn.

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

12 c. A statement that the adjuster does not have a right to a
13 hearing before the division, but that the adjuster may file an
14 application for a hearing in district court pursuant to section
15 252J.9 or 272D.9, as applicable, and that the filing of an
16 application by the adjuster will stay the proceedings of the
17 division.

18 d. A copy of the certificate of noncompliance.

19 3. An adjuster shall keep the commissioner informed of all
20 actions taken by the district court or the issuing agency in
21 connection with a certificate of noncompliance. Within seven
22 calendar days of filing or issuance, an adjuster shall provide
23 to the commissioner a copy of all applications filed with
24 the district court pursuant to an application or hearing, all
25 court orders entered in such action, and all withdrawals of a
26 certificate of noncompliance.

27 4. If an applicant or licensed adjuster timely files an
28 application for hearing in district court and the division is
29 notified of the filing, the commissioner's denial, suspension,
30 or revocation proceedings shall be stayed until the division is
31 notified by the district court, the issuing agency, the licensee,
32 or the applicant of the resolution of the application. Upon
33 receipt of a court order lifting the stay or otherwise directing
34 the commissioner to proceed, the commissioner shall continue with
35 the intended action described in the notice.

1 5. If the commissioner does not receive a withdrawal of the
2 certificate of noncompliance from the issuing agency, or a notice
3 from a clerk of court, the issuing agency, the licensee, or the
4 applicant that an application for hearing has been filed within
5 thirty calendar days after the notice is issued, the commissioner
6 shall deny the adjuster's application for license issuance,
7 renewal, reinstatement, or reissuance; suspend a current license;
8 or revoke a currently suspended license.

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

22 7. The commissioner shall notify an adjuster in writing
23 through regular first class mail, or such other means as the
24 commissioner deems appropriate under the circumstances, within
25 ten calendar days of the effective date of the suspension or
26 revocation of the adjuster's license, and shall also notify the
27 adjuster when the adjuster's license is reinstated following the
28 commissioner's receipt of a withdrawal of the certificate of
29 noncompliance.

30 8. Notwithstanding any provision of law to the contrary, the
31 division may share information with the child support recovery
32 unit or the centralized collection unit of the department of
33 revenue for the sole purpose of identifying adjusters subject to
34 enforcement under chapter 252J or 272D.

35 DIVISION VI

1 LICENSING AND REGULATION OF APPRAISERS AND UMPIRES

2 Sec. 52. Section 522B.5A, subsection 2, paragraph c, Code
3 2025, is amended to read as follows:

4 c. A renewal, reinstatement, or reissuance of a license if
5 the license of a producer has been revoked or suspended pursuant
6 to section 522B.11, the license of a public adjuster has been
7 revoked or suspended pursuant to section ~~522C.6~~ 522C.13, ~~or~~ the
8 license of a viatical settlement provider or viatical settlement
9 broker has been revoked or suspended pursuant to section 508E.4,
10 or the license of an appraiser or an umpire has been revoked or
11 suspended pursuant to section 522F.20.

12 Sec. 53. Section 522B.5A, subsection 2, Code 2025, is amended
13 by adding the following new paragraphs:

14 NEW PARAGRAPH. f. An initial license as an appraiser in this
15 state.

16 NEW PARAGRAPH. g. An initial license as an umpire in this
17 state.

18 Sec. 54. NEW SECTION. **522F.1 Definitions.**

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

21 1. "Adjuster" means a person licensed pursuant to chapter
22 522C.

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

27 3. "Appraiser" means a person licensed as an appraiser
28 pursuant to section 522F.4.

29 4. "Appraiser list" means a list, maintained by the division,
30 of all appraisers licensed by the division.

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

33 6. "Commissioner" means the commissioner of insurance.

34 7. "Disciplinary matter" means an individual is the subject
35 of an investigation, complaint, pending administrative action, or

1 other such action in any state.

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

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

6 a. A conflict of interest.

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

9 c. Any other reason that would reasonably be expected to
10 impair an appraisal.

11 10. "*Immediate family*" means an individual's parent, sibling,
12 child, grandchild, spouse, spouses of the individual's children,
13 or parents of the individual's spouse.

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

16 12. "*Insurer*" means a person engaged in the business of
17 insurance and regulated under chapter 507A, 508, 512B, 515, or
18 520.

19 13. "*NIPR gateway*" means the communication network developed
20 and operated by the national insurance producer registry that
21 links state insurance regulators with regulated entities to
22 facilitate the electronic exchange of adjuster information,
23 including but not limited to license applications, license
24 renewals, appointments, and terminations.

25 14. "*Party*" means an insurer or a claimant, including an
26 employee, contractor, and other representative of an insurer or
27 claimant.

28 15. "*Person*" means an individual or a business entity.

29 16. "*Reinstatement*" means the reinstatement of a suspended
30 license which was suspended in connection with a disciplinary
31 matter, and that has not expired or been terminated during the
32 suspension period.

33 17. "*Reissuance*" means the issuance of a new license
34 following the revocation of a license, the suspension and
35 subsequent termination of a license, or the forfeiture of a

1 license in connection with a disciplinary matter.

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

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

6 Sec. 55. NEW SECTION. **522F.2 Rules.**

7 The commissioner may adopt rules pursuant to chapter 17A to
8 administer this chapter.

9 Sec. 56. NEW SECTION. **522F.3 Appraiser's license —**
10 **eligibility.**

11 1. A person shall not act as, or represent that the person
12 is, an appraiser in this state unless the person is licensed
13 under this chapter. A person that acts as an appraiser in this
14 state solely for a crop hail or multiperil crop insurance claim
15 shall not be subject to this chapter.

16 2. A person applying for an appraiser license shall submit
17 an application on a uniform individual application or a uniform
18 business entity application in the form and manner prescribed by
19 the commissioner.

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

22 a. Have experience or training in building construction,
23 repair, or estimating property damage.

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

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

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

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

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

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

1 c. Pass a written examination as prescribed by the division.
2 The examination shall test the knowledge of a person concerning
3 the appraisal process, the duties and responsibilities of an
4 appraiser, and the insurance laws and rules of this state.
5 Examination results shall be valid for ninety calendar days from
6 the date of examination.

7 d. Have the requisite character and competence, as determined
8 by the division.

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

12 Sec. 57. NEW SECTION. **522F.4 Appraisers — licensure,**
13 **license renewal, and fees.**

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

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

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

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

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

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

31 7. An appraiser licensed under this chapter shall be required
32 to complete continuing education requirements, as prescribed
33 by the division, to be eligible for license renewal or
34 reinstatement.

35 8. An appraiser licensed under this chapter shall inform the

1 division, in the manner and form specified by the division, of a
2 change of legal name or business address within thirty calendar
3 days of the change. Failure to timely inform the division may
4 result in a penalty as specified in section 522F.20.

5 9. The division shall publish an appraiser list on the
6 division's internet site in a manner readily available to the
7 public. The appraiser list shall include all of the following
8 information for each licensed appraiser:

9 a. The business telephone number, business mailing address,
10 business email address, and the county and state of residence of
11 the appraiser as provided to the division by the appraiser for
12 licensure.

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

14 c. The date of the appraiser's initial licensure and the date
15 the license expires.

16 10. Prior to approving a business entity's application for
17 a license as an appraiser, the commissioner shall find that the
18 business entity has designated an individual appraiser licensed
19 in this state to be responsible for the business entity's
20 compliance with the insurance laws and rules of this state.

21 **Sec. 58. NEW SECTION. 522F.5 Appraiser license**
22 **reinstatement — not related to disciplinary action.**

23 1. An appraiser may apply for reinstatement of an expired
24 license up to one year after the license expiration date
25 by submitting a request through the NIPR gateway, paying a
26 reinstatement fee and a license renewal fee, and submitting
27 evidence to the division that the appraiser met the continuing
28 education requirements under section 522F.4. An appraiser who
29 fails to apply for license reinstatement within one year of the
30 date of expiration of the appraiser's license must apply for a
31 new license.

32 2. An appraiser who surrendered a license, not in connection
33 with a disciplinary matter, and stated an intent to exit the
34 appraiser business may file a request with the division to
35 reactivate the appraiser license. The request must be received

1 by the division within ninety calendar days of the date the
2 appraiser's license was placed on inactive status. The request
3 shall be granted if the former appraiser is otherwise eligible
4 to receive an appraiser license. If the appraiser's request to
5 reactivate the license is not received within ninety calendar
6 days of the date the appraiser's license was placed on inactive
7 status, the appraiser must apply for a new license.

8 3. An appraiser whose license is suspended, revoked, or
9 forfeited in connection with a disciplinary matter, or forfeited
10 in lieu of compliance, shall not be eligible for reinstatement
11 under this section and must follow the procedures in section
12 522F.22.

13 Sec. 59. NEW SECTION. **522F.6 Appraisers — payment.**

14 1. Each party to an appraisal shall be responsible for the
15 following:

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

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

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

21 2. a. An appraiser shall not charge any party on a basis
22 dependent on the outcome of the written itemized award, or charge
23 in a manner that relies on a barter arrangement, gift, favor, or
24 in-kind exchange.

25 b. Prior to the conclusion of an appraisal process via
26 final settlement or issuance of a written itemized award by
27 an umpire, an appraiser shall not require, demand, or accept
28 any fee, retainer, compensation, deposit, or other type of
29 consideration, unless the loss is being handled by the appraiser
30 on a time-plus-expense basis.

31 3. An appraiser shall not charge, and is not entitled to, a
32 fee, compensation, deposit, or other type of consideration if the
33 appraiser abandons the appraisal prior to the umpire issuing a
34 written itemized award.

35 Sec. 60. NEW SECTION. **522F.7 Appraisers — standards of**

1 **conduct.**

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

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

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

11 (3) If a conflict of interest arises after the start of the
12 appraisal process, an appraiser shall disclose the conflict of
13 interest to the parties and shall withdraw from the appraisal
14 process no more than five business days after the conflict of
15 interest arose.

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

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

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

23 (3) An appraiser has a personal bias or prejudice against a
24 party.

25 (4) An appraiser has personally investigated, prosecuted, or
26 advocated in connection with the appraisal.

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

30 (6) An appraiser has a personal financial interest in the
31 outcome of the appraisal or any other significant interest that
32 could be substantially affected by the outcome of the appraisal.

33 (7) A member of an appraiser's immediate family is any of the
34 following:

35 (a) A party to the appraisal, or an officer, director, or

1 trustee of a party.

2 (b) A current employee of an appraiser or an adjuster to the
3 appraisal.

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

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

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

11 3. An appraiser shall postpone an appraisal for a reasonable
12 amount of time if any party demonstrates reasonable cause for
13 a postponement. The appraiser shall notify all parties if the
14 appraisal process is postponed. An appraiser's failure to timely
15 notify all parties may result in a penalty under sections 522F.20
16 and 522F.21.

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

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

23 6. In the course of an appraisal, an appraiser shall provide
24 all parties a fair and reasonable itemized written appraisal
25 detailing the amount of loss and actual cash value.

26 7. In the course of an appraisal, an appraiser shall ensure
27 the appraiser's party is reasonably informed of all updates
28 throughout the appraisal process.

29 8. An appraiser shall not permit outside influence to affect
30 an appraisal.

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

35 10. a. An appraiser shall not communicate directly or

1 indirectly with any of the following:

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

4 (2) The umpire, unless reasonable notice and opportunity to
5 participate in the communication is provided to an opposing
6 appraiser.

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

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

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

15 (3) If an opposing appraiser fails to participate in a
16 meeting or conference call after receiving reasonable notice and
17 opportunity to participate, or if all parties agree in writing in
18 advance of a meeting or conference call, an appraiser may discuss
19 a claim with the umpire.

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

22 12. An appraiser shall not withdraw or abandon an appraisal
23 unless compelled by unforeseen circumstances that would render it
24 impossible or impracticable for the appraiser to continue.

25 Sec. 61. NEW SECTION. **522F.8 Umpire license —**
26 **eligibility.**

27 1. An individual shall not act as, or represent that the
28 individual is, an umpire in this state unless the individual
29 is licensed under this chapter. An individual that acts as an
30 umpire in this state solely for a crop hail or multiperil crop
31 insurance claim shall not be subject to this chapter.

32 2. An individual applying for an umpire license shall submit
33 an application on a uniform individual application in the form
34 and manner prescribed by the commissioner.

35 3. To be eligible for licensure under this chapter, an

1 individual shall meet all of the following criteria:

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

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

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

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

11 (4) An appraiser licensed under this chapter or similarly
12 licensed in another state.

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

15 (6) An insurance regulator.

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

22 c. Have the requisite character and competence, as determined
23 by the division.

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

27 Sec. 62. NEW SECTION. **522F.9 Umpires — licensure, license**
28 **renewal, and fees.**

29 1. An individual who meets the requirements of section
30 522F.8, unless otherwise denied licensure pursuant to section
31 522F.20, shall be issued an umpire license that is valid for two
32 years from the date of issue.

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

35 3. The fee for an initial umpire license, or renewal of an

1 umpire license, shall be fifty dollars for a two-year license.

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

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

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

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

14 8. An umpire licensed under this chapter shall inform the
15 division, in the manner and form specified by the division, of
16 a 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 sections 522F.20 and 522F.21.

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

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

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

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

30 **Sec. 63. NEW SECTION. 522F.10 Umpire license reinstatement**
31 **— not related to disciplinary action.**

32 1. An umpire may apply for reinstatement of an expired
33 license up to one year after the license expiration date
34 by submitting a request through the NIPR gateway, paying a
35 reinstatement fee, and submitting evidence to the division

1 that the umpire met the continuing education requirements under
2 section 522F.9. An umpire who fails to apply for license
3 reinstatement within one year of the date of expiration of the
4 umpire's license must apply for a new license.

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

16 3. An umpire whose license is suspended, revoked, or
17 forfeited in connection with a disciplinary matter, or forfeited
18 in lieu of compliance, shall not be eligible for reinstatement
19 under this section and must follow the procedures in section
20 522F.22.

21 Sec. 64. NEW SECTION. 522F.11 Umpires — payment.

22 1. In addition to the costs each party is responsible for
23 under section 522F.6, each party to an appraisal that requires an
24 umpire shall be responsible for an equal share of all reasonable
25 and necessary fees and expenses incurred by the umpire.

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

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

32 4. Prior to the conclusion of an appraisal process via final
33 settlement, or issuance of a written itemized award by an umpire,
34 an umpire shall not require, demand, or accept any fee, retainer,
35 compensation, deposit, or other type of consideration, unless the

1 loss is being handled by the umpire on a time-plus-expense basis.

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

6 Sec. 65. NEW SECTION. **522F.12 Umpires — objections.**

7 A party or appraiser that objects for good cause to a selected
8 umpire within the time limit specified in section 522F.14,
9 subsection 3, paragraph "b", shall send the objection to all
10 parties involved in the appraisal and, if applicable, to the
11 judge who appointed the umpire from the umpire list under section
12 522F.14, subsection 3, paragraph "d". A copy of the objection
13 shall be sent to the division electronically in the form and
14 manner prescribed by the commissioner. The objection shall
15 include all of the following information:

- 16 1. The names of all parties involved in the dispute.
- 17 2. The name of the person submitting the objection.
- 18 3. The insurer's claim number.
- 19 4. The name of the umpire that the party or appraiser objects
20 to.
- 21 5. An explanation of the good cause basis for the objection.

22 Sec. 66. NEW SECTION. **522F.13 Umpires — standards of
23 conduct.**

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

27 2. a. (1) No later than three business days after being
28 hired by the parties to an appraisal and before beginning work
29 as an umpire to the appraisal, an umpire shall disclose to all
30 parties to the appraisal any potential conflict of interest. If
31 a conflict of interest exists, the umpire shall withdraw from the
32 appraisal.

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

35 (3) If a conflict of interest arises after the start of

1 an appraisal process, an umpire shall disclose the conflict of
2 interest to the parties and shall withdraw from the appraisal
3 process.

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

6 (1) An umpire is a party to a lawsuit against any party to an
7 appraisal.

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

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

13 (4) An umpire has a personal bias or prejudice against a
14 party.

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

17 (6) An umpire has acted as counsel to any party to
18 an appraisal within the two years immediately preceding the
19 appraisal.

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

23 (8) A member of an umpire's immediate family is any of the
24 following:

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

27 (b) A current employee of an appraiser or an adjuster to the
28 appraisal.

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

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

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

35 3. Prior to beginning work as an umpire, an umpire shall

1 enter into a written contract with all parties to the appraisal
2 that requires the parties and the umpire to comply with this
3 section, and provides that each party shall pay costs as required
4 under section 522F.11.

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

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

12 a. A statement informing each party if the umpire is insured
13 by an insurer.

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

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

18 7. An umpire shall review all information submitted by the
19 appraisers and parties related to the dispute, including but
20 not limited to the itemized appraisals or estimates, supporting
21 documents, photographs, and diagrams. The umpire shall review
22 the differences between what each appraiser submitted and seek
23 agreement by the appraisers regarding the disputed issues.

24 8. An umpire shall allow each appraiser to a claim a fair
25 opportunity to present evidence and arguments regarding the
26 appraisal.

27 9. An umpire shall ask questions, or request documents or
28 other evidence, as the umpire deems necessary in the course of
29 an appraisal.

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

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

35 12. An umpire shall prepare and distribute a written itemized

1 award pursuant to section 522F.16.

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

4 14. An umpire shall not withdraw or abandon an appraisal
5 unless compelled by unforeseen circumstances that would render
6 it impossible or impracticable for the umpire to continue on a
7 claim.

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

10 16. An umpire shall not permit outside influences to affect
11 an appraisal.

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

14 18. Unless reasonable notice and opportunity to participate
15 in a communication is provided to an opposing party and the
16 opposing party's appraiser, an umpire shall not communicate,
17 directly or indirectly, with any party or appraiser regarding a
18 pending appraisal.

19 19. Unless reasonable notice and opportunity to participate
20 in a communication is provided to all parties, an umpire shall
21 not communicate, directly or indirectly, with any party, a
22 representative of any party, or any other person with a direct
23 or indirect interest in the claim, regarding an issue of fact or
24 law in the appraisal.

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

27 Sec. 67. NEW SECTION. **522F.14 Appraisal process.**

28 1. This section provides for the appraisal process if all of
29 the following apply:

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

32 b. The property that is the subject of the claimant's
33 claim is located in this state, or the dispute is subject to
34 jurisdiction in this state.

35 c. A claimant gave proper notice to the claimant's insurer

1 of a loss claim, and the claimant and insurer dispute the actual
2 cash value, or the amount of loss the insurer will pay, for the
3 claimant's claim under the claimant's policy. The claimant and
4 the insurer must both provide the other party with a list stating
5 separately the actual cash value and the amount of claimed loss
6 for each item.

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

9 2. Within twenty calendar days following either the
10 claimant's or insurer's receipt of the other party's written
11 demand for an appraisal, the claimant and the insurer shall each
12 select an appraiser from the appraiser list. Upon selection,
13 the appraiser shall attest in writing to the selecting party that
14 the appraiser is competent and disinterested with regards to the
15 appraisal in question.

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

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

24 c. If both appraisers fail to agree on an umpire, either the
25 claimant or insurer shall immediately provide written notice to
26 the division, in the form and manner prescribed by the division,
27 and the division shall randomly select an umpire from the umpire
28 list and notify the parties.

29 d. If either appraiser requests that an umpire be selected by
30 a judge in the state in which the property that is the subject
31 of the claim is located, a judge shall give deference to the
32 randomly selected umpire from the umpire list by the division
33 unless either the claimant or the insurer provides good cause for
34 the judge to make an alternative selection from the umpire list.

35 4. Within forty-five calendar days from the date the umpire

1 is selected, both appraisers shall appraise the loss, stating
2 separately the actual cash value and the amount of loss for each
3 item. Each appraiser shall submit separately the appraiser's
4 actual cash value and amount of loss of each item, along with
5 any supporting information, to the umpire. Each appraiser shall
6 also submit written authorization for the umpire to commence the
7 umpire's work.

8 5. No later than forty-five calendar days after receipt of
9 the actual cash value and amount of loss under subsection 4,
10 the umpire shall prepare and provide to the parties and each
11 appraiser a written itemized award showing the actual cash value
12 and amount of loss. The written itemized award shall include but
13 is not limited to all of the following:

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

15 b. The insured's policy number and the insured's claim
16 number.

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

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

19 e. The date the umpire commenced work.

20 f. The legal name of the insurer.

21 g. The physical address of the property on which the insured
22 made a claim.

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

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

26 (a) Coverage A — dwelling.

27 (b) Coverage B — other structures.

28 (c) Coverage C — personal property.

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

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

35 6. Prior to the umpire issuing the written itemized award,

1 the parties may agree to conclude the appraisal process when the
2 parties reach a final settlement.

3 Sec. 68. NEW SECTION. **522F.15 Appraisal clause.**

4 All property insurance policies delivered, issued for
5 delivery, continued, or renewed in this state on or after January
6 1, 2026, shall contain an appraisal clause that complies with
7 this chapter.

8 Sec. 69. NEW SECTION. **522F.16 Appraisal award.**

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

11 2. A insurer's payment of an appraisal award to an insured
12 shall be subject to the limits of coverage, and other terms
13 and conditions of the insured's policy, including reductions for
14 deductibles and prior payments. Unless otherwise agreed upon by
15 the parties in writing, an appraisal award shall be binding and
16 paid by the insurer within sixty calendar days of the written
17 itemized award being submitted to the insurer.

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

22 Sec. 70. NEW SECTION. **522F.17 Reporting of actions.**

23 1. An appraiser or umpire shall report to the commissioner
24 any administrative action taken against the appraiser or umpire
25 in another jurisdiction or by another administrative agency in
26 this state within thirty calendar days of the final disposition
27 of the matter. This report shall include a copy of the order,
28 consent to the order, and other relevant legal documents.

29 2. Within thirty calendar days of the initial pretrial
30 hearing date, an appraiser or umpire shall report to the
31 commissioner any criminal prosecution of the appraiser or umpire
32 taken in any jurisdiction. The report shall include a copy
33 of the initial complaint filed, the order resulting from the
34 hearing, and any other relevant legal documents.

35 3. An appraiser or umpire who willfully fails to comply with

1 this section is subject to penalty under section 522F.20.

2 Sec. 71. NEW SECTION. **522F.18 Records — appraisers and**
3 **umpires.**

4 1. An appraiser or umpire shall have a continuing duty and
5 obligation to keep, at the appraiser's or umpire's place of
6 business, usual and customary records pertaining to appraisals
7 undertaken by the appraiser or umpire. All such records
8 shall be kept available for inspection by the commissioner or
9 the commissioner's agent during regular business hours. The
10 commissioner or the commissioner's agent shall not be entitled
11 to inspect any records prepared in anticipation of litigation
12 or that are subject to any privilege recognized in chapter 622.
13 Such records shall be maintained for a minimum of three years
14 following the date of final claim resolution.

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

17 Sec. 72. NEW SECTION. **522F.19 Hearings — service of**
18 **process, attendance of witnesses, and production of documents.**

19 1. Whenever the commissioner believes that a person has
20 been engaged, or is engaging, in a violation of this chapter
21 or a rule adopted or an order issued under this chapter, and
22 that a proceeding by the commissioner would be in the public
23 interest, the commissioner shall issue and serve upon the person
24 a statement of the charges and a notice of a hearing on the
25 charges to be held at the time and place set in the notice,
26 which shall not be less than ten business days after the date of
27 service of such notice.

28 2. At the time and place of such hearing, the person shall
29 have an opportunity to be heard and to show cause why an order
30 should not be made by the commissioner requiring the person to
31 cease and desist from the violation of the chapter, rule, or
32 order. Upon a showing of good cause, the commissioner shall
33 permit any person, by counsel or in person, to intervene, appear,
34 and be heard at such hearing.

35 3. A hearing under this section shall not be required to

1 observe formal rules of pleading or evidence.

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

21 5. Statements of charges, notices, orders, subpoenas, and
22 other processes of the commissioner under this chapter may be
23 served by anyone authorized by the commissioner, either in the
24 manner provided by law for service of process in civil actions,
25 or by mailing a copy by restricted certified mail to the person
26 affected by the statement, notice, order, subpoena, or other
27 process at the person's residence or principal office or place
28 of business. The verified return by the person serving the
29 statement, notice, order, subpoena, or other process, setting
30 forth the manner of such service, shall be proof of service, and
31 the return receipt for the statement, notice, order, subpoena,
32 or other process, mailed by restricted certified mail, shall be
33 proof of the service.

34 Sec. 73. NEW SECTION. **522F.20 License denial, nonrenewal,**
35 **or revocation — penalties.**

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

6 a. The appraiser or umpire provided incorrect, misleading,
7 incomplete, or materially untrue information in a license
8 application.

9 b. The appraiser or umpire violated an insurance law,
10 regulation, subpoena, or order of the commissioner or of a
11 commissioner of another state.

12 c. The appraiser or umpire obtained or attempted to obtain a
13 license through misrepresentation or fraud.

14 d. The appraiser or umpire improperly withheld,
15 misappropriated, or converted money or property received from an
16 insured in the course of doing business.

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

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

20 g. The appraiser or umpire used fraudulent, coercive,
21 or dishonest practices, or demonstrated incompetence,
22 untrustworthiness, or financial irresponsibility in the conduct
23 of business.

24 h. The appraiser or umpire had any professional license, or
25 its equivalent, denied, suspended, or revoked in this state or
26 any other state, province, district, or territory.

27 i. The appraiser or umpire forged another's name to any
28 document related to an appraisal.

29 j. The appraiser or umpire improperly used notes or any other
30 reference material to complete an examination for an appraisal
31 license or umpire license.

32 k. The appraiser knowingly negotiated as an appraiser with
33 an individual who is not, but is required to be, licensed as an
34 appraiser during an appraisal.

35 l. The umpire knowingly acted as an umpire during the conduct

1 of an appraisal with an individual who is not, but is required to
2 be, licensed as an appraiser during an appraisal.

3 m. The appraiser or umpire failed to comply with an
4 administrative or court order related to repayment of loans to
5 the college student aid commission.

6 n. The appraiser or umpire failed to pay state income tax or
7 comply with any administrative or court order directing payment
8 of state income tax.

9 o. The appraiser or umpire failed to comply with an
10 administrative or court order imposing a child support
11 obligation.

12 p. The appraiser or umpire failed or refused to cooperate
13 in an investigation conducted by the commissioner or the
14 commissioner's designee.

15 q. The appraiser or umpire used an appraiser license
16 or umpire license for the principal purpose of procuring,
17 receiving, or forwarding appraisals, or placing or affecting such
18 appraisals, directly or indirectly, on or in connection with
19 the property of the licensee or the property of a relative,
20 employer, or employee of the licensee, or upon or in connection
21 with property for which the licensee or a relative, employer, or
22 employee of the licensee is an agent, custodian, vendor, bailee,
23 trustee, or payee.

24 2. If the commissioner does not renew a license or denies
25 an application for a license, the commissioner shall notify the
26 applicant, appraiser, or umpire in writing of the reason for
27 the nonrenewal of the license or denial of the application for
28 a license. The applicant, appraiser, or umpire may request a
29 hearing on the nonrenewal or denial. The applicant, appraiser,
30 or umpire shall have thirty calendar days from the date of
31 receipt of the notice to file a written request for a hearing.
32 A hearing shall be conducted according to section 522F.19.

33 3. The license of an umpire, an appraiser, or an appraiser
34 business entity may be suspended, revoked, placed on probation,
35 or refused if the commissioner finds, after hearing, that an

1 umpire's, appraiser's, or appraiser business entity's violation
2 was known or should have been known by a partner, officer, or
3 manager of the business entity and the violation was not reported
4 to the commissioner and corrective action was not taken.

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

9 5. The commissioner may enforce this chapter, may conduct an
10 investigation of any suspected violation of this chapter, and may
11 impose any penalty or remedy authorized by this chapter against
12 any person who is under investigation for, or charged with, a
13 violation of this chapter even if the person's license has been
14 surrendered or has lapsed by operation of law.

15 6. a. All complaint files, investigation files,
16 investigation reports, and other investigative information in the
17 possession of the commissioner or the commissioner's agents that
18 relates to appraiser or umpire discipline shall be privileged and
19 confidential, and shall not be subject to discovery, subpoena, or
20 other means of legal compulsion for release to a person other
21 than the appraiser or umpire, and shall not be admissible in
22 evidence in a judicial or administrative proceeding other than
23 the proceeding involving the appraiser or umpire discipline.
24 A final written decision of the commissioner in a disciplinary
25 proceeding shall be a public record.

26 b. Investigative information in the possession of the
27 commissioner or the commissioner's agent that relates to
28 appraiser or umpire discipline may be disclosed at the discretion
29 of the commissioner. The commissioner may share documents,
30 materials, or other information, including confidential and
31 privileged documents, materials, or information under this
32 subsection with other state, federal, and international
33 regulatory agencies, with NAIC and its affiliates or
34 subsidiaries, and with state, federal, and international law
35 enforcement authorities, provided that the recipient agrees

1 to maintain the confidentiality and privileged status of the
2 document, material, or other information.

3 c. If the investigative information in the possession of the
4 commissioner or the commissioner's agents indicates a crime has
5 been committed, the information shall be reported to the proper
6 law enforcement agency.

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

11 b. Notwithstanding section 17A.19, subsection 6, if a waiver
12 of privilege has been involuntary and evidence has been received
13 at a disciplinary hearing, the court shall issue an order to
14 withhold the identity of the individual whose privilege was
15 waived.

16 Sec. 74. NEW SECTION. **522F.21 Civil and criminal**
17 **penalties.**

18 1. a. Upon a determination by the commissioner, after a
19 hearing conducted pursuant to chapter 17A, that a person violated
20 this chapter, the commissioner shall reduce the findings of the
21 hearing to writing and deliver a copy of the findings to the
22 person.

23 b. Upon a determination by the commissioner that a person
24 has engaged, is engaging, or is about to engage in any act
25 or practice constituting a violation of this chapter or a rule
26 adopted or order issued under this chapter, the commissioner may
27 take the following actions:

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

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

33 (3) If the person knew or reasonably should have known the
34 person was in violation of this chapter, assess a civil penalty
35 of not more than five thousand dollars for each violation of

1 this chapter not to exceed an aggregate penalty of fifty thousand
2 dollars in any one six-month period.

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

9 (b) A person may contest a summary order by filing, within
10 thirty calendar days from the date of the issuance of the
11 summary order, a written request for a contested case proceeding
12 and hearing as provided in chapter 17A and in accordance with
13 rules adopted by the commissioner. Section 17A.18A shall be
14 inapplicable to a summary order issued under this subsection. If
15 a hearing is not requested within thirty calendar days from the
16 date of issuance of the summary order, the summary order shall
17 become final by operation of law. A summary order shall remain
18 effective from the date of issuance until the date the order
19 becomes final by operation of law, or is modified or overturned
20 by a presiding officer or court following a request for hearing.

21 (c) A person violating a summary order issued under this
22 subsection shall be deemed in contempt of the summary order.
23 The commissioner may petition the district court to enforce the
24 order as certified by the commissioner. The district court shall
25 find the person in contempt of the order if the court finds,
26 after conducting a hearing, that the person is not in compliance
27 with the order. The court may assess a civil penalty against
28 the person and may issue further orders as the court deems
29 appropriate.

30 c. In addition to any other penalty under this section,
31 if the commissioner finds that a violation of this chapter
32 was directed, encouraged, condoned, ignored, or ratified by the
33 employer of the appraiser or umpire, the commissioner shall
34 assess a penalty to the employer. Penalties under this paragraph
35 may be retained by the commissioner under the fund described in

1 section 505.7, subsection 9.

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

8 b. The commissioner may refer such evidence as is available
9 concerning a violation of this chapter, or of any rule adopted
10 or order issued under this chapter, or of the failure of a
11 person to comply with the licensing requirements of this chapter,
12 to the attorney general or the proper district attorney who
13 may institute the appropriate criminal proceedings under this
14 chapter.

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

18 Sec. 75. NEW SECTION. **522F.22 Reinstatement or reissuance**
19 **of a license after disciplinary matters — forfeiture in lieu of**
20 **compliance.**

21 1. a. A person licensed under this chapter as an appraiser
22 or umpire whose license has been revoked or suspended by order,
23 or who forfeited a license in connection with a disciplinary
24 matter, may apply to the commissioner for reinstatement or
25 reissuance in accordance with the terms of the order of
26 revocation or suspension, or the order accepting the forfeiture,
27 and submit to a criminal history check under section 522B.5A.

28 b. (1) Proceedings for reinstatement or reissuance shall be
29 initiated by the applicant who shall file with the commissioner
30 an application for reinstatement or reissuance after disciplinary
31 action.

32 (2) An appraiser shall not be eligible for reinstatement or
33 reissuance until the appraiser satisfies the requirements under
34 section 522F.3 and pays any required fees. An appraiser may be
35 required to submit a new or renewal appraiser application under

1 section 522F.5.

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

7 c. An application for reinstatement or reissuance shall
8 allege facts which, if established, are sufficient to enable
9 the commissioner to determine that the basis of revocation,
10 suspension, or forfeiture of the applicant's license no longer
11 exists, and must disclose if the applicant has engaged in any
12 conduct listed as a cause for licensing action that was not
13 included in the order for suspension, revocation, or forfeiture.

14 d. An application for reinstatement or reissuance shall
15 allege facts which, if established, are sufficient to enable the
16 commissioner to determine that it is in the public interest for
17 the application to be granted. The commissioner may determine
18 that it is not in the public interest if the applicant has
19 engaged in any conduct listed as a cause for licensing action
20 that was not included in the order for suspension, revocation, or
21 forfeiture, or if the applicant does not have the character and
22 fitness to be a licensed appraiser or umpire in this state.

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

25 f. A person licensed as an appraiser or an umpire may request
26 reinstatement of a suspended license prior to the end of the
27 suspension term.

28 g. Unless otherwise provided by law, if an order of
29 revocation or suspension did not establish terms upon which
30 reinstatement or reissuance may occur, or if the license was
31 forfeited, an initial application for reinstatement or reissuance
32 shall not be made until at least one year from the date of
33 the order of the suspension, revocation, or acceptance of the
34 forfeiture of a license.

35 2. All proceedings upon the application for reinstatement or

1 reissuance, including preliminary and ancillary matters, shall be
2 held in accordance with chapter 17A. The application shall be
3 docketed in the original case in which the original license was
4 suspended, revoked, or forfeited, if the case exists.

5 3. An order of reinstatement or reissuance shall be based
6 on a written decision which incorporates findings of fact
7 and conclusions of law. An order granting an application
8 for reinstatement or reissuance may impose such terms and
9 conditions as the commissioner or the commissioner's designee
10 deems appropriate, which may include one or more penalties
11 provided under this chapter. The order shall be a public record
12 and may be disseminated in compliance with chapter 22.

13 4. If an appraiser's or umpire's ordered suspension period
14 ends prior to the appraiser's or umpire's license expiration
15 date and the appraiser or umpire applies for reinstatement
16 prior to the license expiration date and meets all applicable
17 requirements, the division shall reinstate the license as soon as
18 practicable but no earlier than the end of the suspension period
19 if the division, after a complete review, determines the license
20 should be reinstated.

21 5. If an appraiser's or umpire's license is suspended beyond
22 the appraiser's or umpire's license expiration date, whether due
23 to an ordered suspension time period or failure to apply for
24 reinstatement prior to expiration, the appraiser or umpire must
25 apply for reissuance.

26 6. A submission of voluntary forfeiture of a license shall
27 be made in writing to the commissioner. Forfeiture of a license
28 is effective upon the date of submission unless a contested case
29 proceeding is pending on the date of submission. If a contested
30 case proceeding is pending, the forfeiture shall become effective
31 upon conditions as required by order of the commissioner.
32 A forfeiture made during the pendency of a contested case
33 proceeding shall be considered a disciplinary action and shall be
34 published in the same manner as is applicable to any other form
35 of disciplinary order.

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

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

9 Sec. 76. NEW SECTION. **522F.23 Suspension for failure to pay**
10 **child support or state debt.**

11 1. The commissioner shall deny an 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 upon receipt of a certificate of noncompliance
15 from the child support recovery unit pursuant to chapter 252J,
16 or upon receipt of a certificate of noncompliance from the
17 centralized collection unit of the department of revenue pursuant
18 to chapter 272D.

19 2. Upon receipt of a certificate of noncompliance under
20 subsection 1, the commissioner shall issue a notice to
21 the appraiser or umpire that the division will, unless
22 the certificate of noncompliance is withdrawn, deny the
23 appraiser's or umpire's application for license issuance,
24 renewal, reinstatement, or reissuance, suspend the appraiser's or
25 umpire's current license, or revoke the appraiser's or umpire's
26 currently suspended license, thirty calendar days after the date
27 the notice is mailed. Notice shall be sent to the appraiser's or
28 umpire's last known address by restricted certified mail, return
29 receipt requested, or in accordance with the division's rules for
30 service. The notice shall contain all of the following:

31 a. A statement that the commissioner intends to deny
32 the appraiser's or umpire's application for license issuance,
33 renewal, reinstatement, or reissuance; suspend the appraiser's or
34 umpire's current license; or revoke the appraiser's or umpire's
35 currently suspended license in thirty calendar days unless the

1 certificate of noncompliance is withdrawn.

2 b. A statement that the appraiser or umpire must contact the
3 agency that issued the certificate of noncompliance to request a
4 withdrawal.

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

11 d. A copy of the certificate of noncompliance.

12 3. An appraiser or umpire shall keep the commissioner
13 informed of all actions taken by the district court or the
14 issuing agency in connection with a certificate of noncompliance.
15 An appraiser or umpire shall provide to the commissioner,
16 within seven calendar days of filing or issuance, a copy of
17 all applications filed with the district court pursuant to an
18 application or hearing, all court orders entered in such action,
19 and all withdrawals of a certificate of noncompliance.

20 4. If an applicant, appraiser, or umpire timely files an
21 application for hearing in district court and the division is
22 notified of the filing, the commissioner's denial, suspension,
23 or revocation proceedings shall be stayed until the division is
24 notified by the district court, the issuing agency, the licensee,
25 or the applicant of the resolution of the application. Upon
26 receipt of a court order lifting the stay or otherwise directing
27 the commissioner to proceed, the commissioner shall continue with
28 the intended action described in the notice.

29 5. If the commissioner does not receive a withdrawal of the
30 certificate of noncompliance from the issuing agency, or a notice
31 from a clerk of court, the issuing agency, the appraiser, the
32 umpire, or the applicant that an application for hearing has been
33 filed within thirty calendar days after the notice is issued, the
34 commissioner shall deny the applicant's, appraiser's, or umpire's
35 application for license issuance, renewal, reinstatement, or

1 reissuance; suspend a current license; or revoke a currently
2 suspended license.

3 6. Upon receipt of a withdrawal of a certificate of
4 noncompliance from the issuing agency, suspension or revocation
5 proceedings shall halt and the named appraiser or umpire shall
6 be notified that the proceedings have halted. If the appraiser's
7 or umpire's license has already been suspended, the appraiser or
8 umpire must apply for reinstatement in accordance with section
9 522F.22, and the license shall be reinstated if the appraiser
10 or umpire is otherwise in compliance with this chapter. If the
11 appraiser's or umpire's application for licensure was stayed,
12 application processing shall resume. All fees required for
13 license renewal, reinstatement, or reissuance must be paid by an
14 appraiser or umpire, and all continuing education requirements
15 shall be satisfied, before the appraiser's or umpire's license
16 is renewed or reinstated after a license suspension or revocation
17 under this chapter.

18 7. The commissioner shall notify an appraiser or umpire in
19 writing through regular first class mail, or such other means
20 as the commissioner deems appropriate under the circumstances,
21 within ten calendar days of the effective date of the suspension
22 or revocation of the appraiser's or umpire's license, and shall
23 also notify the appraiser or umpire when the appraiser's or
24 umpire's license is reinstated following the commissioner's
25 receipt of a withdrawal of the certificate of noncompliance.

26 8. Notwithstanding any provision of law to the contrary, the
27 division may share information with the child support recovery
28 unit or the centralized collection unit of the department of
29 revenue for the sole purpose of identifying appraisers or umpires
30 subject to enforcement under chapter 252J or 272D.

31 Sec. 77. CODE EDITOR DIRECTIVE. The Code editor shall divide
32 chapter 522F into subchapters and shall designate sections 522F.1
33 through 522F.2, as enacted in this division of this Act, as
34 subchapter I entitled "General Provisions", sections 522F.3
35 through 522F.7, as enacted in this division of this Act, as

1 subchapter II entitled "Appraisers", sections 522F.8 through
2 522F.13, as enacted in this division of this Act, as subchapter
3 III entitled "Umpires", sections 522F.14 through 522F.16, as
4 enacted in this division of this Act, as subchapter IV entitled
5 "Appraisals", sections 522F.17 through 522F.18, as enacted in
6 this division of this Act, as subchapter V entitled "Duties of
7 Licensees", and sections 522F.19 through 522F.23, as enacted in
8 this division of this Act, as subchapter VI entitled "Hearings
9 and Penalties".

10

DIVISION VII

11

IOWA ECONOMIC EMERGENCY FUND — PROCLAMATION OF DISASTER

12

EMERGENCY

13

Sec. 78. Section 8.55, subsection 3, paragraph a, Code 2025,
14 is amended to read as follows:

15

a. Except as provided in paragraphs "b", "c", and "d", and
16 "f", the moneys in the Iowa economic emergency fund shall only be
17 used pursuant to an appropriation made by the general assembly.
18 An appropriation shall only be made for the fiscal year in which
19 the appropriation is made. The moneys shall only be appropriated
20 by the general assembly for emergency expenditures.

21

Sec. 79. Section 8.55, subsection 3, Code 2025, is amended by
22 adding the following new paragraph:

23

NEW PARAGRAPH. f. (1) For the fiscal year beginning July 1,
24 2026, and each fiscal year thereafter, there is appropriated from
25 the Iowa economic emergency fund to the department of management
26 ten percent of the maximum balance of the Iowa economic emergency
27 fund, or so much thereof as is necessary, to be used for
28 disaster response, disaster recovery activities, or disaster aid
29 to citizens.

30

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

32

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

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

3 (3) The department of management may provide for an
4 interdepartmental transfer of moneys appropriated in this
5 paragraph to another state entity for the purposes specified in
6 this paragraph, notwithstanding the limitations and requirements
7 of section 8.39.

8 (4) Notwithstanding section 8.33, moneys appropriated in this
9 paragraph that remain unencumbered or unobligated at the close of
10 the fiscal year shall not revert but shall remain available for
11 expenditure for the purposes designated.

12 (5) Moneys appropriated in this paragraph shall not supplant
13 other appropriated moneys.

14 Sec. 80. Section 29C.6, Code 2025, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 18. Direct an appropriation under section
17 8.55, subsection 3, paragraph "f", with the approval of the
18 executive council.

19 DIVISION VIII

20 IOWA ECONOMIC EMERGENCY FUND — APPROPRIATIONS

21 Sec. 81. NUISANCE PROPERTY REMEDIATION ASSISTANCE FUND — FY
22 2024-2025. There is appropriated from the Iowa economic
23 emergency fund created in section 8.55 to the economic
24 development authority for the fiscal year beginning July 1, 2024,
25 and ending June 30, 2025, the following amount, or so much
26 thereof as is necessary, to be used for the purposes designated:

27 For deposit in the nuisance property remediation assistance
28 fund established in section 15.338:

29 \$ 2,000,000

30 Notwithstanding section 8.33, moneys appropriated in this
31 section 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 until the close of the
34 succeeding fiscal year.

35 Sec. 82. DISASTER RECOVERY HOUSING ASSISTANCE FUND — FY

1 2024-2025. There is appropriated from the Iowa economic
2 emergency fund created in section 8.55 to the Iowa finance
3 authority for the fiscal year beginning July 1, 2024, and ending
4 June 30, 2025, the following amount, or so much thereof as is
5 necessary, to be used for the purposes designated:

6 For deposit in the disaster recovery housing assistance fund
7 created in section 16.57B:

8 \$ 11,600,000

9 Notwithstanding section 8.33, moneys appropriated in this
10 section that remain unencumbered or unobligated at the close of
11 the fiscal year shall not revert but shall remain available for
12 expenditure for the purposes designated until the close of the
13 succeeding fiscal year.

14 Sec. 83. EFFECTIVE DATE. This division of this Act, being
15 deemed of immediate importance, takes effect upon enactment.

16 EXPLANATION

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

19 This bill relates to the natural hazard mitigation financing
20 program, the disaster recovery housing assistance program, the
21 disaster recovery new housing program, post-loss assignments
22 of benefits, and the licensing and regulation of adjusters,
23 appraisers and umpires.

24 DIVISION I — NATURAL HAZARD MITIGATION FINANCING PROGRAM. The
25 bill creates the natural hazard mitigation financing program
26 (program) for the purpose of making loans available to eligible
27 entities to finance all or part of the costs of a project.
28 "Eligible entity" and "project" are defined in the bill. The
29 program shall be a joint and cooperative undertaking of the
30 department of homeland security and emergency management (HSEMD)
31 and the Iowa finance authority (IFA).

32 The bill creates a natural hazard mitigation revolving loan
33 fund (fund) under the control of HSEMD, in consultation with IFA,
34 consisting of moneys and program funding as detailed in the bill.

35 HSEMD, in consultation with IFA, may establish and maintain

1 funds or accounts necessary to carry out the purposes of the
2 bill. Any moneys appropriated to HSEMD and IFA for purposes of
3 paying the costs and expenses associated with the program shall
4 be administered as determined by IFA. The funds or accounts are
5 separate dedicated funds and accounts under the administration
6 and control of IFA, and shall not be considered part of the
7 general fund of the state, are not subject to appropriation for
8 any other purpose by the general assembly, and in determining a
9 general fund balance shall not be included in the general fund of
10 the state, but shall remain in the funds and accounts maintained
11 by HSEMD or IFA. IFA may provide for the issuance of bonds or
12 notes as detailed in the bill.

13 The duties of the director of HSEMD (director) are detailed in
14 the bill.

15 For the fiscal year beginning July 1, 2025, and each fiscal
16 year thereafter, HSEMD may prepare and deliver intended use plans
17 to, and enter into capitalization grant agreements with, the
18 administrator of the United States federal emergency management
19 agency and may accept capitalization grants for the fund. HSEMD,
20 in consultation with IFA, shall establish fiscal controls and
21 accounting procedures for the fund.

22 HSEMD and IFA shall review each loan application to determine
23 if the applicant is an eligible entity and qualifies for a loan.
24 IFA, in cooperation with HSEMD, shall determine the interest rate
25 and repayment terms for each loan under the program and shall
26 enter into a loan agreement with each loan recipient. IFA may
27 charge loan recipients fees and assess costs as necessary.

28 Moneys in the fund shall be used for the primary purpose of
29 making loans to eligible entities to finance eligible costs of
30 projects in accordance with the intended use plans. The loan
31 recipients and the purpose and amount of the loans shall be
32 determined by the director.

33 HSEMD, in consultation with IFA, shall adopt rules pursuant to
34 Code chapter 17A to administer the division of the bill.

35 The bill makes a conforming change to Code section 422.7.

1 DIVISION II — DISASTER RECOVERY HOUSING ASSISTANCE

2 PROGRAM. The bill requires a state of disaster emergency
3 proclamation by the governor that authorizes disaster recovery
4 housing assistance to specify if disaster recovery housing
5 assistance is available to homeowners, renters, or both
6 homeowners and renters.

7 The bill defines "financial assistance" as assistance provided
8 only from the funds, rights, and assets legally available to IFA
9 and includes but is not limited to assistance in the form of
10 grants, loans, and forgivable loans.

11 Under the bill, IFA shall not use more than 5 percent of the
12 moneys deposited into the disaster recovery housing assistance
13 fund for administrative and program costs.

14 Under current law, to be considered for financial assistance
15 under the disaster recovery housing assistance program, a
16 homeowner or renter must register for the disaster case advocacy
17 program. Under the bill, a homeowner or renter is not
18 required to register for the advocacy program to be considered
19 for financial assistance under the disaster recovery housing
20 assistance program.

21 The bill makes conforming changes to Code section 16.57B.

22 DIVISION III — DISASTER RECOVERY NEW HOUSING PROGRAM. The
23 bill defines "qualifying state disaster recovery new housing
24 grant" (grant) as an award of a state disaster recovery new
25 housing grant that was applied for between August 20, 2024,
26 and December 31, 2024, and approved and issued by the economic
27 development authority. A grant shall not be included in the
28 computation of net income for federal income tax purposes.

29 The division takes effect upon enactment and applies
30 retroactively to tax years beginning on or after January 1, 2024.

31 DIVISION IV — POST-LOSS ASSIGNMENT OF BENEFITS — RESIDENTIAL
32 CONTRACTOR. Under the bill, a violation of Code section 515.137
33 is an unfair method of competition and unfair or deceptive
34 act or practice in the business of insurance. The bill
35 defines "post-loss assignment" (assignment). The assignment

1 must only assign the insurance proceeds a named insured is
2 entitled to receive from the named insured's insurer for the
3 repair, replacement construction, or reconstruction of the named
4 insured's property.

5 A residential contractor (contractor) shall not engage in
6 conduct prohibited by the bill under an assignment by a named
7 insured to the contractor under a property and casualty insurance
8 policy.

9 An assignment must include an itemized description containing
10 the information detailed in the bill.

11 An assignment shall not impair the interest of a mortgagee,
12 and all mortgagees shall be named as a co-payee for the payment
13 of benefits. An assignment shall only authorize a contractor
14 to be named as a co-payee, along with the named insured and all
15 mortgagees, for the payment of benefits. An assignment shall not
16 prevent or inhibit an insurer from communicating with the named
17 insured or a mortgagee.

18 An electronic copy of a fully executed assignment shall
19 be provided to a named insured and all mortgagees of the
20 damaged residential real estate within five business days after
21 execution. A contractor named in an assignment must cooperate
22 with the insurer in a claim investigation.

23 A named insured shall have the right to cancel an assignment
24 without penalty or fee under the circumstances detailed in the
25 bill.

26 Any written contract, repair estimate, or work order prepared
27 by a contractor to provide goods or services pursuant to an
28 assignment shall include notice as provided in the bill which
29 shall be signed by the named insured and sent to the named
30 insured's insurer prior to payment.

31 For at least 72 hours following a catastrophic disaster, a
32 residential contractor shall not enter into a contract with
33 an insured that includes an assignment. If the severity of
34 the catastrophic disaster has placed people under duress, as
35 determined by the commissioner, the commissioner shall dispatch

1 the consumer advocate and personnel to provide consumer guidance.
2 The commissioner may extend the 72-hour period by an additional
3 72 hours after public hearing.

4 An assignment entered into with a contractor shall be void if
5 the contractor violates the bill.

6 DIVISION V — PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS. The
7 bill makes conforming changes to Code sections 507B.4, 522B.5A,
8 and 522C.1.

9 Under current law, the commissioner of insurance
10 (commissioner) shall adopt rules as necessary to administer and
11 enforce Code chapter 522C. Under the bill, the commissioner may
12 adopt such rules.

13 Under the bill, a person shall not act as, or represent that
14 the person is, a public adjuster or an independent adjuster
15 unless the person is licensed. A license as an adjuster is not
16 required for a staff adjuster, an attorney when acting within
17 their professional capacity as an attorney, or a person employed
18 only for the purpose of obtaining facts surrounding a loss or to
19 furnish technical assistance to a licensed adjuster. A person
20 applying for an adjuster license shall complete an application as
21 described in the bill. The commissioner may require a criminal
22 history check for the applicant.

23 Prior to approving an application for a resident adjuster
24 license, a nonresident adjuster license, or a business entity's
25 or nonresident business entity's application for a license for
26 a resident public adjuster or resident independent adjuster, the
27 commissioner shall find that the applicant meets the requirements
28 detailed in the bill.

29 If the commissioner does not renew a license or denies an
30 application for a license, the commissioner shall notify the
31 applicant or licensee and advise of the reason for the nonrenewal
32 or denial. Within 30 calendar days of the date of the notice,
33 the licensee or applicant may request a hearing on the nonrenewal
34 or denial.

35 Application fees for a license as an adjuster are detailed in

1 the bill. The fee for an examination may be set by a third-party
2 testing service and must be approved by the division of insurance
3 (division).

4 Prior to issuance of a license, an applicant shall secure
5 evidence of financial responsibility (responsibility) through
6 a surety bond (bond) as prescribed by the commissioner. The
7 bond shall be executed and issued by an insurer authorized
8 to issue bonds, and must meet the requirements of the bill.
9 The division may request that an adjuster provide evidence
10 of responsibility at any time. An adjuster shall immediately
11 notify the division if the adjuster's evidence of responsibility
12 terminates or becomes impaired, and the adjuster's license shall
13 become inactive.

14 An individual applying for a license shall pass a written
15 examination, unless exempt, as described in the bill.

16 A public adjuster shall not provide services to an insured
17 until a written contract with the insured has been executed. The
18 contract must meet all of the requirements detailed in the bill.
19 No provisions in the contract shall be redacted in a copy of the
20 contract submitted to the commissioner.

21 If the insurer, no later than five calendar days after the
22 date on which the insured's loss is reported, either pays or
23 commits in writing to pay the policy limits, the public adjuster
24 shall inform the insured that the total amount of loss claimed by
25 the insured may not be paid by the insured, and the adjuster is
26 only entitled to reasonable compensation from the insured. Prior
27 to execution of a contract, the public adjuster shall review the
28 terms of the contract with the insured and provide a separate
29 disclosure document that meets the requirements detailed in the
30 bill.

31 An original copy of a completed contract shall be provided to
32 the public adjuster and kept by the insured. Within 72 hours of
33 entering a contract with an insured, the public adjuster shall
34 provide the insured's insurer a notification letter. A contract
35 between a public adjuster and an insured executed in violation of

1 the bill shall not be enforceable.

2 The required standards of conduct for, and duties of, an
3 adjuster are detailed in the bill. An adjuster who fails
4 to comply with the standards and duties shall be subject to
5 penalties.

6 The division may place on probation, suspend, revoke, or
7 refuse to issue or renew an adjuster's license, and may levy a
8 civil penalty for any of the reasons enumerated in the bill.
9 If the commissioner does not renew a license or denies an
10 application for a license, the commissioner shall notify the
11 adjuster or applicant and advise of the reason for the nonrenewal
12 or denial. The adjuster or applicant may request a hearing
13 within 30 days from the date of the notice.

14 The commissioner may conduct an investigation of any suspected
15 violation of the bill and may impose a penalty or remedy against
16 any person who is under investigation for, or charged with, a
17 violation even if the person's license has been surrendered or
18 has lapsed by operation of law.

19 All complaint files, investigation files, other investigation
20 reports, and other investigative information in the possession
21 of the commissioner that relates to adjuster discipline are
22 privileged and confidential, and may only be disclosed as
23 described in the bill. On appeal by the adjuster, the
24 commissioner shall transmit the entire record of the contested
25 case to the reviewing court.

26 Upon a determination by the commissioner, after a hearing,
27 that an adjuster has violated a provision of the bill, the
28 commissioner shall reduce the findings of the hearing to writing
29 and deliver a copy to the adjuster. Upon a determination by the
30 commissioner that an adjuster has engaged in any act or practice
31 constituting a violation of the bill, the commissioner may take
32 any of the civil actions described in the bill.

33 A person acting as an adjuster without proper licensure, or an
34 adjuster who willfully violates any provision of, or order issued
35 under, Code chapter 522C is guilty of a class "D" felony. When

1 the violation results in a loss of more than \$10,000, the person
2 or adjuster is guilty of a class "C" felony.

3 An adjuster who steals, converts, or misappropriates funds
4 that should be held in trust in a fiduciary capacity is guilty
5 of a class "D" felony. When the violation results in a loss of
6 more than \$10,000, the adjuster is guilty of a class "C" felony.

7 A class "D" felony is punishable by confinement for no more
8 than five years and a fine of at least \$1,025 but not more than
9 \$10,245. A class "C" felony is punishable by confinement for no
10 more than 10 years and a fine of at least \$1,370 but not more
11 than \$13,660.

12 The commissioner may refer evidence concerning violations of
13 the bill to the attorney general or the county attorney who may
14 institute criminal proceedings.

15 Any contract that is entered into by an insured with a person
16 who is not a licensed public adjuster shall be void, and the
17 insured is not liable for the payment of any past or future
18 services by the person under that contract or otherwise.

19 An adjuster whose license has been revoked or suspended,
20 or who forfeited a license, may apply to the commissioner for
21 reinstatement or reissuance and submit to a criminal history
22 check. An applicant shall not be eligible for reinstatement
23 or reissuance until the applicant satisfies the requirements
24 detailed in the bill.

25 An application for reinstatement or reissuance shall allege
26 facts as required by the bill, and the burden of proof is on
27 the adjuster to establish such facts. An adjuster may request
28 reinstatement of a suspended license prior to the end of the
29 suspension term. If an order of revocation or suspension did
30 not establish terms on which reinstatement or reissuance may
31 occur, or if the license was forfeited, an initial application
32 for reinstatement or reissuance shall not be made until at least
33 one year from the date of the order. All proceedings on the
34 application for reinstatement or reissuance shall be held in
35 accordance with Code chapter 17A.

1 If an adjuster's ordered suspension period ends prior to the
2 adjuster's license expiration date, and the adjuster applies
3 for reinstatement and meets all requirements, the division shall
4 reinstate the license as soon as practicable but no earlier than
5 the end of the suspension period. If an adjuster's license
6 is suspended beyond the adjuster's license expiration date, the
7 adjuster must apply for reissuance. A submission of voluntary
8 forfeiture of a license shall be made to the commissioner
9 pursuant to the requirements detailed in the bill.

10 The commissioner may deny an application for reinstatement
11 or reissuance, or bring an additional immediate action, if an
12 adjuster has engaged in an additional violation of Code chapter
13 507B or 522C.

14 The commissioner shall deny an adjuster's application for
15 license issuance, renewal, reinstatement, or reissuance; suspend
16 a current license; or revoke a currently suspended license,
17 upon receipt of a certificate of noncompliance from the child
18 support recovery unit or the centralized collection unit of the
19 department of revenue.

20 DIVISION VI — LICENSING AND REGULATION OF APPRAISERS AND
21 UMPIRES. Under the bill, the commissioner may require a criminal
22 history check on an applicant that applies for an initial license
23 as an appraiser, or an umpire; or a renewal, reinstatement, or
24 reissuance of a license if the license of an appraiser or an
25 umpire has been revoked or suspended. The commissioner may adopt
26 rules to administer this division of the bill.

27 Under the bill, a person shall not act as, or represent that
28 the person is, an appraiser or an umpire unless the person is
29 licensed.

30 A person applying for an appraiser or umpire license shall
31 submit an application prescribed by the commissioner. To be
32 eligible for licensure under the bill, a person shall meet all
33 of the criteria detailed in the bill. A person who meets the
34 requirements for licensure, unless otherwise denied licensure
35 pursuant to the bill, shall be issued an appraiser license or an

1 umpire license that is valid for two years. Applicable fees are
2 detailed in the bill.

3 An appraiser's license and an umpire's license shall contain
4 the information described in the bill. An appraiser and
5 an umpire shall be required to complete continuing education
6 requirements, as prescribed by the division, to be eligible for
7 license renewal or reinstatement.

8 An appraiser and an umpire shall inform the division of a
9 change of legal name or business address within 30 calendar days
10 of the change. Failure to timely inform the division may result
11 in a penalty.

12 The division shall publish an appraiser list and an umpire
13 list on the division's internet site, and include all required
14 information as detailed in the bill.

15 Prior to approving a business entity's application for a
16 license as an appraiser, the commissioner shall find that
17 the business entity has designated an individual appraiser to
18 be responsible for the business entity's compliance with the
19 insurance laws and rules.

20 An appraiser or an umpire may apply for reinstatement of an
21 expired license up to one year after the license expiration date
22 by meeting the requirements of the bill. An appraiser or an
23 umpire who fails to apply for license reinstatement within one
24 year must apply for a new license. An appraiser or an umpire who
25 surrendered a license and stated an intent to exit the appraiser
26 business may file a request to reactivate the license within 90
27 calendar days of the date the license was placed on inactive
28 status.

29 Each party to an appraisal shall be responsible for the
30 party's own appraiser's fees and expenses, an equal share of all
31 reasonable and necessary fees and expenses incurred by an umpire,
32 and an equal share of all reasonable and necessary costs incurred
33 in the course of conducting the appraisal. An appraiser or an
34 umpire shall not charge any party on a basis dependent on the
35 outcome of the written itemized award, or charge in a manner

1 that relies on a barter arrangement, gift, favor, or in-kind
2 exchange. Prior to the conclusion of an appraisal process, an
3 appraiser or umpire shall not require, demand, or accept any fee
4 unless the loss is being handled by the appraiser or umpire on a
5 time-plus-expense basis. An appraiser or umpire shall not charge
6 a fee if the appraiser or umpire abandons the appraisal prior to
7 the umpire issuing a written itemized award.

8 The required standards of conduct for, and duties of, an
9 appraiser and an umpire are detailed in the bill. An appraiser
10 or umpire who fails to comply with the standards and duties shall
11 be subject to penalties.

12 The process for an appraisal is detailed in the bill. The
13 claimant and the insurer must both provide the other party with
14 a list stating separately the actual cash value and the amount
15 of claimed loss for each item at issue. Within 20 calendar days
16 of receipt of a written demand for an appraisal, the claimant
17 and the insurer shall each select an appraiser from the appraiser
18 list. Upon selection, the appraiser shall attest that the
19 appraiser is competent and disinterested with regards to the
20 appraisal.

21 Within 15 calendar days of the selection of appraisers, both
22 appraisers shall agree on an umpire from the umpire list. A
23 party or an appraiser may object to the umpire for good cause no
24 later than five business days after the umpire has been selected.
25 A replacement umpire shall then be selected by both appraisers
26 from the umpire list. If both appraisers fail to agree on an
27 umpire, the division shall randomly select an umpire from the
28 umpire list and notify the parties. If either appraiser requests
29 that an umpire be selected by a judge, a judge shall give
30 deference to the randomly selected umpire from the umpire list by
31 the division unless either the claimant or the insurer provides
32 good cause for the judge to make an alternative selection.

33 Within 45 calendar days from the date the umpire is
34 selected, both appraisers shall appraise the loss and submit
35 the appraiser's actual cash value and amount of loss of each

1 item to the umpire. Each appraiser shall also submit written
2 authorization for the umpire to commence work. No later than 45
3 calendar days after receipt of the actual cash value and amount
4 of loss, the umpire shall prepare and provide to the parties and
5 each appraiser a written itemized award showing the actual cash
6 value and amount of loss.

7 All property insurance policies delivered, issued for
8 delivery, continued, or renewed in this state on or after January
9 1, 2026, shall contain an appraisal clause that complies with the
10 bill.

11 An appraiser and umpire shall act with due diligence in
12 achieving an appraisal award. A insurer's payment of an
13 appraisal award to an insured shall be subject to applicable
14 policy terms and conditions, limits, and deductibles. Unless
15 otherwise agreed on by the parties, an appraisal award shall be
16 binding and paid by the insurer within 60 calendar days of the
17 award being submitted to the insurer.

18 An appraiser or umpire shall report to the commissioner any
19 administrative action taken against the appraiser or umpire
20 within 30 calendar days of the final disposition. Within
21 30 calendar days of the initial pretrial hearing date, an
22 appraiser or umpire shall report to the commissioner any criminal
23 prosecution of the appraiser or umpire. An appraiser or umpire
24 who willfully fails to comply with such requirements is subject
25 to penalty.

26 An appraiser or umpire has a continuing duty and obligation
27 to keep usual and customary records pertaining to appraisals in
28 accordance with the requirements of the bill. An appraiser or
29 umpire who willfully fails to comply with such requirements is
30 subject to penalty.

31 Whenever the commissioner believes that a person has been
32 engaged or is engaging in a violation of the bill, and that a
33 proceeding by the commissioner would be in the public interest,
34 the commissioner shall issue and serve a statement of the charges
35 and a notice of a hearing.

1 The division may place on probation, suspend, revoke, or
2 refuse to issue or renew an appraiser's license or an umpire's
3 license, and may levy a civil penalty for any of the causes
4 detailed in the bill. If the commissioner does not renew a
5 license or denies an application for a license, the commissioner
6 shall notify the applicant, appraiser, or umpire and advise of
7 the reason for nonrenewal or denial. The applicant, appraiser,
8 or umpire may request a hearing within 30 calendar days from
9 the date of the notice. A hearing shall be conducted pursuant
10 to the requirements detailed in the bill. The license of
11 an umpire, an appraiser, or an appraiser business entity may
12 be suspended, revoked, placed on probation, or refused if the
13 commissioner finds that an umpire's, appraiser's, or appraiser
14 business entity's violation was known or should have been known
15 by a partner, officer, or manager of the business entity and
16 the violation was not reported to the commissioner and corrective
17 action was not taken.

18 In addition to, or in lieu of, denial, probation, suspension,
19 or revocation of a license, an appraiser or umpire may be
20 subject to a civil penalty. The commissioner may conduct an
21 investigation and may enforce the provisions of the bill.

22 All investigative information in the possession of the
23 commissioner that relates to appraiser or umpire discipline
24 is privileged and confidential, and may only be disclosed as
25 described in the bill. On appeal by the appraiser or umpire, the
26 commissioner shall transmit the entire record of the contested
27 case to the reviewing court. Upon a determination by the
28 commissioner, after hearing, that an appraiser or umpire has
29 violated a provision of the bill, the commissioner shall reduce
30 the findings of the hearing to writing and deliver a copy of the
31 findings to the appraiser or umpire, and the commissioner may
32 take any of the actions described in the bill.

33 A person acting as an appraiser or an umpire without proper
34 licensure, or an appraiser or an umpire who willfully violates
35 any provision of, or an order issued under, the bill is guilty

1 of a class "D" felony. When the violation results in a loss of
2 more than \$10,000, the person or adjuster is guilty of a class
3 "C" felony.

4 A class "D" felony is punishable by confinement for no more
5 than five years and a fine of at least \$1,025 but not more than
6 \$10,245. A class "C" felony is punishable by confinement for no
7 more than 10 years and a fine of at least \$1,370 but not more
8 than \$13,660.

9 The commissioner may refer such evidence concerning violations
10 of the bill, or of the failure of a person to comply with the
11 licensing requirements under the bill, to the attorney general or
12 the district attorney who may institute criminal proceedings.

13 An appraiser or an umpire whose license has been revoked or
14 suspended by order, or who forfeited a license, may apply to
15 the commissioner for reinstatement or reissuance, and submit to
16 a criminal history check.

17 All proceedings on the application for reinstatement or
18 reissuance shall be held in accordance with Code chapter 17A.
19 An order of reinstatement or reissuance shall be based on a
20 written decision, and may impose such terms and conditions as the
21 commissioner deems appropriate.

22 If an appraiser's or an umpire's ordered suspension period
23 ends prior to the appraiser's or umpire's license expiration
24 date and the adjuster applies for reinstatement and meets
25 all applicable requirements, the division shall reinstate the
26 license as soon as practicable but no earlier than the end
27 of the suspension period. If an appraiser's or an umpire's
28 license is suspended beyond the license expiration date, the
29 appraiser or umpire must apply for reissuance. A submission of
30 voluntary forfeiture of a license shall be made in writing to the
31 commissioner.

32 The commissioner may deny an application for reinstatement
33 or reissuance, or bring an additional immediate action, if an
34 appraiser or an umpire has engaged in additional violations.

35 The commissioner shall deny an appraiser's or umpire's

1 application for license issuance, renewal, reinstatement, or
2 reissuance; suspend a current license; or revoke a currently
3 suspended license, upon receipt of a certificate of noncompliance
4 from the child support recovery unit or the centralized
5 collection unit of the department of revenue.

6 DIVISION VII — IOWA ECONOMIC EMERGENCY FUND. Under current
7 law, moneys in the Iowa economic emergency fund may only be used
8 pursuant to an appropriation by the general assembly, including
9 for purposes of reducing or preventing an overdraft on or deficit
10 in the general fund of the state. Each fiscal year, the bill
11 appropriates up to 10 percent of the maximum balance of the
12 Iowa economic emergency fund to the department of management
13 for disaster response, disaster recovery activities, or disaster
14 aid to citizens, at the direction of the governor, with the
15 approval of the executive council, following a proclamation of
16 disaster emergency. The bill allows the department of management
17 to provide for an interdepartmental transfer of the moneys to
18 another state entity for the purposes specified, notwithstanding
19 the limitations and requirements of Code section 8.39, including
20 notification of the general assembly.

21 DIVISION VIII — IOWA ECONOMIC EMERGENCY FUND —
22 APPROPRIATIONS. For FY 2024-2025, there is appropriated from
23 the Iowa economic emergency fund to the economic development
24 authority for deposit in the nuisance property remediation
25 assistance fund \$2 million. For FY 2024-2025, there is
26 appropriated from the Iowa economic emergency fund to the Iowa
27 finance authority for deposit in the disaster recovery housing
28 assistance program fund \$11.6 million. This division of the bill
29 takes effect upon enactment.