

**House Study Bill 701 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON YOUNG)

**A BILL FOR**

1 An Act relating to investigations of insurance fraud related  
2 to adjusters, appraisers, and umpires, and license and  
3 financial responsibility requirements for adjusters, and  
4 including effective date provisions.

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

1 Section 1. Section 507E.8, subsection 1, paragraphs a and b,  
2 Code 2026, are amended to read as follows:

3 a. For purposes of an arrest resulting from a criminal  
4 violation of any provision of the Code subject to the  
5 jurisdiction of the commissioner established as a result of an  
6 investigation pursuant to [this chapter](#) or [chapter 502, 502A,](#)  
7 [507A, 522C, 522F, 523A, 523C, 523D,](#) or [523I.](#)

8 b. While conducting an investigation or engaged in an  
9 assignment authorized by [this chapter](#) or [chapter 502, 502A,](#)  
10 [507A, 522C, 522F, 523A, 523C, 523D,](#) or [523I.](#)

11 Sec. 2. Section 522C.4, subsection 2, Code 2026, is amended  
12 by adding the following new paragraph:

13 NEW PARAGRAPH. d. An insurance producer licensed under  
14 chapter 522B appointed by, and granted claim authority by, an  
15 insurer or self-insurer.

16 Sec. 3. Section 522C.7, Code 2026, is amended to read as  
17 follows:

18 **522C.7 Financial responsibility.**

19 ~~1.~~ Prior to issuance of a license under [section 522C.5A,](#)  
20 [522C.5B, 522C.5C, or 522C.5D,](#) an applicant shall secure  
21 evidence of financial responsibility ~~through a surety bond~~  
22 ~~as in a form and manner~~ prescribed by the commissioner.  
23 ~~The surety bond shall be executed and issued by an insurer~~  
24 ~~authorized to issue surety bonds in this state and meet the~~  
25 ~~following requirements:~~

26 ~~a. The surety bond shall be a minimum of fifty thousand~~  
27 ~~dollars.~~

28 ~~b. The surety bond shall be in favor of the state and~~  
29 ~~specifically authorize recovery by the commissioner on behalf~~  
30 ~~of any person in this state who sustains damages as the result~~  
31 ~~of an adjuster's erroneous act, failure to act, fraud, or~~  
32 ~~unfair or deceptive act or practice under [chapter 507B.](#)~~

33 ~~c. The surety bond shall not be terminated without prior~~  
34 ~~written notice filed with the division a minimum of thirty~~  
35 ~~calendar days prior to termination.~~



1 (licensing of adjusters) and 522F (licensing and regulation of  
2 appraisers and umpires).

3 Under the bill, a license as an adjuster shall not be  
4 required for a licensed insurance producer appointed by, and  
5 granted claim authority by, an insurer or self-insurer.

6 Under current law, prior to issuance of a license as an  
7 adjuster, an applicant must secure evidence of financial  
8 responsibility through a surety bond as prescribed by the  
9 commissioner, executed and issued by an insurer authorized  
10 to issue surety bonds. Additionally, the division may  
11 request evidence of financial responsibility at any time and  
12 an adjuster shall immediately notify the division if the  
13 adjuster's evidence of financial responsibility terminates, at  
14 which time the adjuster's license shall become inactive. The  
15 bill eliminates these requirements and instead requires that,  
16 prior to being issued a license as an adjuster, an applicant  
17 secure evidence of financial responsibility in a form and  
18 manner prescribed by the commissioner.

19 The division may adopt emergency rules to implement the  
20 provisions of the bill amending Code section 522C.7.

21 The bill, being deemed of immediate importance, takes effect  
22 upon enactment.