SENATE FILE 619
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 591)
(SUCCESSOR TO SSB 1188)

(As Amended and Passed by the Senate April 16, 2025)

_____ and [ = New Language by the Senate

* = Language Stricken by the Senate

## A BILL FOR

An Act relating to the natural hazard mitigation financing program, the disaster recovery housing assistance program, the disaster recovery new housing program, post-loss assignment of benefits, the licensing and regulation of adjusters, appraisers, and umpires, and the Iowa economic emergency fund, and providing penalties, making appropriations, and including effective date and applicability provisions.

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

DIVISION I

NATURAL HAZARD MITIGATION FINANCING PROGRAM

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

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

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

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

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

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

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

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

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

or the authority pursuant to a trust agreement related to the program, are separate dedicated funds and accounts under the administration and control of the department in consultation with the authority.

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

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

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

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

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

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

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

3. Chapter 16, except to the extent inconsistent with this section, shall apply to bonds or notes issued, and powers granted to the authority, under this section. Section 16.28, subsection 4, shall not apply to this section.

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

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

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

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

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

*c.* The amounts on deposit in the fund.

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

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

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

3. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding

from the time the pledge is made, that the moneys or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective against the parties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Drought and prolonged episodes of intense heat.

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

(3) Wildfires.

(4) Earthquakes.

(5) Flooding.

(6) Shoreline erosion.

(7) High water levels.

(8) Storm surges.

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

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

(2) Zoning and land use planning changes.

(3) Establishing and enforcing building codes.

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

Sec. 7. NEW SECTION. **29D.3 Natural hazard mitigation**

**financing program.**

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

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

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

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

2. *a.* The fund shall consist of moneys appropriated by the general assembly, moneys received by the fund through the federal emergency management agency and the STORM Act, moneys received as repayment of loan principal and interest from loans paid for by the fund, and all other moneys received by the fund from any other source. Notwithstanding section 8.33, moneys in

the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

*b.* Moneys in the fund are appropriated to the department to provide loans to eligible entities pursuant to section 29D.9, and for administration of the program as permitted under the STORM Act. Moneys in the fund shall not be used to provide a loan to a private entity for the acquisition of real property. Moneys in the fund shall not be considered part of the general fund of the state 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 subject to section 16.31, insofar as section 16.31 complies with the STORM Act.

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

The director shall do all of the following:

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

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

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

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

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

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

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

1. For the fiscal year beginning July 1, 2025, and each fiscal year thereafter, the department may prepare and deliver intended use plans to, and enter into capitalization grant agreements with, the administrator of the federal emergency management agency under the terms and conditions set forth in the STORM Act and federal regulations adopted pursuant to the STORM Act, and may accept capitalization grants for the fund in accordance with payment schedules established by the administrator. All payments from the administrator shall be deposited into the fund.

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

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

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

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

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

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

1. Moneys deposited in the fund shall be used for the primary purpose of making loans to eligible entities to finance eligible costs of projects in accordance with the intended use plans prepared and delivered to the administrator of the federal emergency management system by the department under section 29D.6. The loan recipients and the purpose and amount of the loans shall be determined by the director, in compliance with the STORM Act and other applicable federal law, and any resolution, agreement, indenture, or other document of the authority, and rules adopted by the authority relating to any bonds, notes, or other obligations issued for the program which may be applicable to the loan.

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

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

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

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

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

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

DIVISION II

DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM

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

*a. "Disaster-affected home"* means a primary residence that is destroyed or damaged due to a natural disaster that

occurs on or after June 16, 2021, and the primary residence is located in a county that is the subject of a state of disaster emergency proclamation by the governor that authorizes disaster recovery housing assistance. The state of disaster emergency proclamation shall specify if disaster recovery housing assistance is available to homeowners, renters, or both homeowners and renters.

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

NEW PARAGRAPH. *0b. "Financial assistance"* means assistance provided only from the funds, rights, and assets legally available to the authority pursuant to this chapter and includes but is not limited to assistance in the form of grants, loans, and forgivable loans.

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

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

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

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

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

*a.* The authority shall establish and administer a disaster recovery housing assistance program and shall use moneys in the fund to award ~~forgivable loans~~ financial assistance to eligible homeowners and ~~grants to~~ eligible renters of disaster-affected homes. Moneys in the fund may be expended following a state

of disaster emergency proclamation by the governor pursuant to section 29C.6 that authorizes disaster recovery housing assistance. The governor, by state of disaster emergency proclamation, shall specify if disaster recovery housing assistance is available to homeowners, renters, or both homeowners and renters.

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

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

5. *Homeowners.*

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

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

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

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

(4) ~~Assistance~~ Financial assistance under the program must not duplicate benefits provided by any local, state, or federal

disaster recovery assistance program.

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

(1) Repair or rehabilitation of the disaster-affected home. The disaster-affected home to be repaired or rehabilitated shall not be located in a one-hundred-year floodplain.

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

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

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

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

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

6. *Renters.*

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

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

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

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

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

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

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

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

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

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

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

*g.* Each local program administrator involved in the administration of the program.

*h.* The total amount of loan and forgivable loan principal repaid.

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

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

2. Establish the terms of any loan or forgivable loan provided under the program.

DIVISION III

DISASTER RECOVERY NEW HOUSING PROGRAM

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

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

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

*c.* This subsection is repealed January 1, 2028.

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

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

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

*c.* This subsection is repealed January 1, 2028.

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

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

DIVISION IV

POST-LOSS ASSIGNMENT OF BENEFITS — RESIDENTIAL CONTRACTOR

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

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

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

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

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

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

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

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

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

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

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

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

(1) Additional living expenses.

(2) Loss of use.

(3) Loss of business income.

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

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

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

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

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

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

THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN THIS ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER. THE INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL. POST-LOSS ASSIGNMENTS ARE SUBJECT TO THE AUTHORITY OF THE IOWA INSURANCE

DIVISION. YOU MAY FILE A COMPLAINT WITH THE DIVISION ON THE DIVISION'S INTERNET SITE AT IID.IOWA.GOV OR CALL THE DIVISION AT (877) 955-1212.

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

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

YOU MUST CANCEL THE POST-LOSS ASSIGNMENT IN WRITING AND THE CANCELLATION MUST BE DELIVERED TO (name and address of residential contractor as provided by the residential contractor). IF THE ASSIGNEE HAS NOT BEGUN SUBSTANTIALLY PERFORMING WORK ON THE PROPERTY, YOU MAY CANCEL THIS POST-LOSS ASSIGNMENT WITHOUT PENALTY AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO COMMENCE, OR AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED IF THE POST-LOSS ASSIGNMENT DOES NOT CONTAIN A COMMENCEMENT DATE.

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

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

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

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

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

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

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

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

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

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

(3) The assignee has not begun substantial work on the

property that is the subject of the post-loss assignment at least thirty calendar days after the date the insured received a fully executed copy of the executed post-loss assignment and the post-loss assignment does not contain a commencement date.

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

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

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

8. A post-loss assignment entered into with a residential

contractor shall be void if the residential contractor violates this section.

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

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

DIVISION V

PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS

Sec. 30. Section 522B.5A, subsection 2, paragraphs c and e, Code 2025, are amended to read as follows:

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

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

Sec. 31. Section 522C.1, Code 2025, is amended to read as follows:

**522C.1 Purpose.**

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

Sec. 32. Section 522C.2, Code 2025, is amended by striking the section and inserting in lieu thereof the following:

**522C.2 Definitions.**

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

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

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

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

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

(1) A large number of deaths or injuries.

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

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

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

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

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

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

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

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

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

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

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

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

*a.* Contracts, either directly or through a firm or third-party administrator, for compensation with insurers or self-insurers, and is treated by the insurer or self-insurer as an independent contractor and not as an employee as that term is described in 26 C.F.R. §31.3121(d)(1).

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

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

13. "*Insurer*" means the same as defined in section 507A.3.

14. "*NAIC*" means the national association of insurance commissioners.

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

16. "*Person*" means an individual or a business entity.

17. "*Producer database*" means the national database of insurance producers maintained by the NAIC.

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

*a.* Acts for or aids an insured in negotiating or affecting the settlement of a first-party claim for loss or damage to

real or personal property of an insured.

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

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

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

20. *"Reissuance"* means the issuance of a new license following the revocation of a license, the suspension and subsequent termination of a license, or the forfeiture of a license in connection with a disciplinary matter.

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

22. *"Uniform business entity application"* means the most recent version of NAIC's uniform application for business entity license and registration.

23. *"Uniform individual application"* means the most recent version of NAIC's uniform application for individual adjuster or apprentice license and registration.

Sec. 33. Section 522C.3, Code 2025, is amended by striking the section and inserting in lieu thereof the following:

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

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

1. Advertising standards.

2. Continuing education requirements for licensees.

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

Sec. 34. Section 522C.4, Code 2025, is amended by striking the section and inserting in lieu thereof the following:

**522C.4 License required.**

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

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

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

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

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

Sec. 35. Section 522C.5, Code 2025, is amended by striking the section and inserting in lieu thereof the following:

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

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

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

Sec. 36. NEW SECTION. **522C.5A Individual applicants — resident adjuster.**

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

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

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

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

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

5. The applicant has paid all fees required under this chapter. An applicant who concurrently applies for both an adjuster license, and a license as an appraiser under chapter 522F, shall only be required to pay the fee required under this chapter or the fee required under chapter 522F.

6. The applicant maintains an office in the applicant's home state that is available by reasonable appointment or regular business hours.

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

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

9. The applicant for a public adjuster license has submitted contracts and any subsequent contract modification to the

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

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

Sec. 37. NEW SECTION. **522C.5B Individual applicants — nonresident adjuster.**

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

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

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

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

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

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

6. The nonresident applicant has paid all fees required under this chapter. An applicant who concurrently applies for

both an adjuster license, and a license as an appraiser under chapter 522F, shall only be required to pay the fee required under this chapter or the fee required under chapter 522F.

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

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

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

10. The nonresident applicant is at least eighteen years of age.

11. The nonresident applicant maintains an office in the nonresident applicant's home state that is available by reasonable appointment or regular business hours.

Sec. 38. NEW SECTION. **522C.5C Business entity applicants — resident public adjuster or independent adjuster.**

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

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

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

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

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

5. The business entity has paid all fees required under this chapter. An applicant who concurrently applies for both an adjuster license, and a license as an appraiser under chapter 522F, shall only be required to pay the fee required under this chapter or the fee required under chapter 522F.

6. The business entity maintains an office in the business entity's home state that is available by reasonable appointment or regular business hours.

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

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

Sec. 39. NEW SECTION. **522C.5D Business applicants — nonresident business entity.**

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

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

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

3. The nonresident business applicant has the requisite

character and competence to be licensed as an adjuster, as may be determined by the commissioner.

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

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

6. The nonresident business applicant maintains an office in the nonresident business applicant's home state that is available by reasonable appointment or regular business hours.

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

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

Sec. 40. Section 522C.6, Code 2025, is amended by striking the section and inserting in lieu thereof the following:

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

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

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

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

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

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

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

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

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

Sec. 41. NEW SECTION. **522C.7 Financial responsibility.**

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

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

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

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

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

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

Sec. 42. NEW SECTION. **522C.8 Examination.**

1. *a.* An individual applying for a license under this chapter shall pass a written examination, unless exempt

pursuant to section 522C.9. The examination shall test the knowledge of the individual concerning the duties and responsibilities of an adjuster and the insurance laws and administrative rules of this state, and shall be conducted as prescribed by the division.

*b.* An individual who concurrently applies for an adjuster license, and a license as an appraiser under chapter 522F, may choose to take a joint examination conducted as prescribed by the division. The joint examination shall test the knowledge of the individual concerning the duties and responsibilities of an adjuster and of an appraiser, and the insurance laws and administrative rules of this state. An individual who successfully passes a joint examination, and who meets all other requirements for licensure as an adjuster, and as an appraiser under chapter 522F, shall be licensed as both an adjuster and as an appraiser.

2. Each individual applying for examination shall remit the examination fee under section 522C.6. An individual applying for a joint examination under subsection 1, paragraph *"b"*, shall pay one examination fee for the joint examination.

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

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

Sec. 43. NEW SECTION. **522C.9 Examination — exemption.**

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

2. An individual who relocates to this state and who was a licensed adjuster in another state that required an examination

that included Iowa-specific statutes and administrative rules shall not be required to apply for examination under section 522C.8 if the individual submits an application for a resident adjuster license under section 522C.5A within ninety calendar days of establishing legal residency, and all of the following apply:

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

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

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

Sec. 44. NEW SECTION. **522C.10 Public adjuster and insured — contract for services.**

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

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

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

(3) A description of the insured's loss claim and the

address at which the loss is located, if applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

(11) The initial expenses of the public adjuster that will

be reimbursed from the proceeds of the claim payment shall be specified by expense type, with reimbursement estimates set forth in the contract. Any additional expenses for which the public adjuster requests reimbursement shall be disclosed in writing to the insured, and must be approved by the insured prior to reimbursement.

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

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

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

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

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

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

*b.* Only be entitled to reasonable compensation from the insured for services provided on behalf of the insured based on

the time spent on the claim, and the expenses incurred by the public adjuster, until the date the insurer pays the claim or provides the insured with a written commitment that the insurer will pay the claim.

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

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

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

*c.* Imposes collection costs or late fees prior to an insurance claim payment by an insurer to an insured.

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

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

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

*g.* Grants the public adjuster power of attorney for the insured. However, a public adjuster may obtain a limited power of attorney for an insured for the sole purpose of depositing claim payments in the insured's name into a fiduciary trust account pursuant to section 522C.11, subsection 26.

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

4. Prior to execution of the contract, the public adjuster shall review the terms of the contract with the insured and provide the insured with a separate disclosure document

regarding the claim process that shall include the following:

DISCLOSURE DOCUMENT

REGARDING THE CLAIM PROCESS

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

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

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

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

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

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

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

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

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

5. An original copy of a completed contract shall be provided to the public adjuster and to the insured. The commissioner may inspect the original contract in possession of the public adjuster at any time without prior notice. A contract may be executed electronically if done so in compliance with chapter 554D.

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

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

Sec. 45. NEW SECTION. **522C.11 Adjusters — standards of conduct.**

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

2. For a minimum of seventy-two hours following a catastrophic disaster, to allow time for the commissioner to safely deploy consumer protection resources, a public adjuster shall not, in person or by telephone, directly offer to contract, attempt to offer to contract, or enter into an adjuster contract with an insured unless the offer to contract, the attempt to offer to contract, or entering into a contract

is initiated by a consumer. If the commissioner deems the severity of the catastrophic disaster to have placed people under duress, the commissioner shall immediately dispatch the consumer advocate and other personnel to the disaster area to provide consumer guidance. If, after a public hearing, the commissioner determines that, due to the scope and severity of the catastrophic disaster, additional time is necessary to safely deploy additional consumer protection resources, the commissioner may extend the time period that a public adjuster shall not offer to contract, attempt to offer to contract, or enter into a contract for an additional seventy-two hours.

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

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

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

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

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

8. An adjuster shall maintain all documentation relating to all estimates and coverage determinations for a minimum of five years from the date of completion of a settlement.

9. An adjuster shall not knowingly make any false oral or

written material statements regarding any person engaged in the business of insurance, or any other adjuster, to an insured who is a client or potential client.

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

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

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

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

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

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

15. A public adjuster shall not enter into a contract that accepts a power of attorney or limited power of attorney for an insured.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*a.* Held in a fiduciary capacity.

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

*c.* Held separately from personal or nonbusiness funds.

*d.* Held separately from other business funds.

*e.* Listed specifically and separately, by the insured's name and the amount in trust in the book of accounts and records of the public adjuster. The book of accounts and records must indicate the fiduciary nature of the account and any amounts

deposited or withdrawn.

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

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

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

Sec. 46. NEW SECTION. **522C.12 Adjusters — records.**

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

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

Sec. 47. NEW SECTION. **522C.13 License denial, nonrenewal, suspension, or revocation.**

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

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

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

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

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

*e.* The adjuster was convicted of a felony.

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

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

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

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

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

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

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

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

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

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

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

2. If the commissioner does not renew an adjuster's license or denies an application for a license, the commissioner shall

notify the adjuster or applicant and advise, in writing, of the reason for the nonrenewal of the license or denial of the application for a license. The adjuster or applicant may request a hearing on the nonrenewal or denial by filing a written request for a hearing within thirty calendar days from the date of notice of the nonrenewal or denial. A hearing shall be conducted according to section 522C.15.

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

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

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

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

7. *a.* All complaint files, investigation files, investigation reports, and other investigative information

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

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

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

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

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

Sec. 48. NEW SECTION. **522C.14 Civil and criminal penalties.**

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

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

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

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

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

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

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

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

until the date the order becomes final by operation of law, or is modified or overturned by a presiding officer or court following a request for hearing.

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

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

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

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

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

this chapter.

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

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

Sec. 49. NEW SECTION. **522C.15 Reinstatement or reissuance of a license after disciplinary matters — forfeiture in lieu of compliance.**

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

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

*c.* An application for reinstatement or reissuance shall allege facts which, if established, are sufficient to enable the commissioner to determine that the basis of revocation, suspension, or forfeiture of the applicant's license no longer exists, and must disclose if the applicant has engaged in any conduct listed as a cause for licensing action that was

not included in the order for suspension, revocation, or forfeiture.

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

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

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

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

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

3. An order of reinstatement or reissuance shall be based on a written decision which incorporates findings of fact and conclusions of law. An order granting an application for reinstatement or reissuance may impose such terms and conditions as the commissioner or the commissioner's designee deems appropriate, and may include one or more penalties provided under section 522C.14. The order shall be a public

record and may be disseminated in compliance with chapter 22.

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

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

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

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

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

Sec. 50. NEW SECTION. **522C.16 Suspension for failure to pay child support or state debt.**

1. The commissioner shall deny an adjuster's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended

license, upon receipt of a certificate of noncompliance from the child support recovery unit pursuant to chapter 252J, or upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue pursuant to chapter 272D.

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

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

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

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

*d.* A copy of the certificate of noncompliance.

3. An adjuster shall keep the commissioner informed of all actions taken by the district court or the issuing agency in

connection with a certificate of noncompliance. Within seven calendar days of filing or issuance, an adjuster shall provide to the commissioner a copy of all applications filed with the district court pursuant to an application or hearing, all court orders entered in such action, and all withdrawals of a certificate of noncompliance.

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

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

6. Upon receipt of a withdrawal of a certificate of noncompliance from the issuing agency, suspension or revocation proceedings shall halt and the named adjuster shall be notified that the proceedings have halted. If the adjuster's license has already been suspended, the adjuster must apply for reinstatement in accordance with section 522C.15, and the license shall be reinstated if the adjuster is otherwise in compliance with this chapter. If the adjuster's application for licensure was stayed, application processing shall resume. All fees required for license renewal, reinstatement, or reissuance must be paid by the adjuster, and all continuing

education requirements shall be satisfied, before the adjuster's license is renewed or reinstated after a license suspension or revocation under this chapter.

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

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

Sec. 51. NEW SECTION. **522C.17 Severability.**

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

Sec. 52. APPLICABILITY. The licensure and examination requirements of chapter 522C in this division of this Act apply three months after the enactment date of this division of this Act to a person currently doing business in this state as an independent adjuster or a staff adjuster as of January 1, 2025.

DIVISION VI

LICENSING AND REGULATION OF APPRAISERS AND UMPIRES

Sec. 53. Section 507B.2, subsection 1, Code 2025, is amended to read as follows:

1. *"Person"* shall mean any individual, corporation, association, partnership, reciprocal exchange, interinsurer, fraternal beneficiary association, and any other legal entity

engaged in the business of insurance, including insurance producers, appraisers, umpires, and adjusters. "*Person*" shall also mean any corporation operating under the provisions of chapter 514 and any benevolent association as defined and operated under chapter 512A. For purposes of this chapter, corporations operating under the provisions of chapter 514 and chapter 512A shall be deemed to be engaged in the business of insurance.

Sec. 54. Section 522B.5A, subsection 2, paragraph c, Code 2025, is amended to read as follows:

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

Sec. 55. Section 522B.5A, subsection 2, Code 2025, is amended by adding the following new paragraphs:

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

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

Sec. 56. NEW SECTION. **522F.1 Definitions.**

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

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

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

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

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

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

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

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

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

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

*a.* A conflict of interest.

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

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

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

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

12. *"Insurer"* means a person engaged in the business of insurance and regulated under chapter 507A, 508, 512B, 515, 518, 518A, or 520.

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

14. *"Party"* means an insurer or a claimant, including an

employee, contractor, and other representative of an insurer or claimant.

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

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

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

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

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

Sec. 57. NEW SECTION. **522F.2 Rules.**

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

Sec. 58. NEW SECTION. **522F.3 Appraiser's license — eligibility.**

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

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

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

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

*b.* Unless waived by the commissioner based on the person's other professional qualifications, have a minimum of three

years' experience as any of the following:

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

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

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

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

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

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

(2) An individual who concurrently applies for an appraiser license, and a license as an adjuster under chapter 522C, may choose to take a joint examination conducted as prescribed by the division. The joint examination shall test the knowledge of the individual concerning the duties and responsibilities of an adjuster and of an appraiser, and the insurance laws and administrative rules of this state. An individual who successfully passes a joint examination, and who meets all other requirements for licensure as an appraiser, and as an adjuster under chapter 522C, shall be licensed as both an adjuster and as an appraiser.

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

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

Sec. 59. NEW SECTION. **522F.4 Appraisers — licensure, license renewal, and fees.**

1. A person who meets the requirements under section 522F.3,

unless otherwise denied licensure pursuant to section 522F.20, shall be issued an appraiser license that is valid for two years from the date of issue.

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

3. The fee for an initial appraiser license, or renewal of an appraiser license, shall be fifty dollars for a two-year license. An applicant who concurrently applies for both an appraiser license, and a license as an adjuster under chapter 522C, shall only be required to pay the fee required under this chapter or the fee required under chapter 522C.

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

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

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

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

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

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

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

business email address, and the county and state of residence of the appraiser as provided to the division by the appraiser for licensure.

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

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

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

Sec. 60. NEW SECTION. **522F.5 Appraiser license reinstatement — not related to disciplinary action.**

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

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

3. An appraiser whose license is suspended, revoked, or forfeited in connection with a disciplinary matter, or

forfeited in lieu of compliance, shall not be eligible for reinstatement under this section and must follow the procedures in section 522F.22.

Sec. 61. NEW SECTION. **522F.6 Appraisers — payment.**

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

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

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

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

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

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

Sec. 62. NEW SECTION. **522F.7 Appraisers — standards of conduct.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) If an opposing appraiser fails to participate in a

meeting or conference call after receiving reasonable notice and opportunity to participate, or if all parties agree in writing in advance of a meeting or conference call, an appraiser may discuss a claim with the umpire.

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

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

13. During the appraisal process, an appraiser may hire an outside expert to provide subject matter expertise as necessary.

Sec. 63. NEW SECTION. **522F.8 Umpire license — eligibility.**

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

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

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

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

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

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

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

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

(5) An attorney licensed in this state, or another state,

with experience in first-party property damage litigation.

(6) An insurance regulator.

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

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

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

Sec. 64. NEW SECTION. **522F.9 Umpires — licensure, license renewal, and fees.**

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

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

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

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

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

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

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

reinstatement.

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

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

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

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

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

Sec. 65. NEW SECTION. **522F.10 Umpire license reinstatement — not related to disciplinary action.**

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

2. An umpire who surrendered a license, not in connection with a disciplinary matter, and stated an intent to exit the umpire business, may file a request with the division to reactivate the umpire license. The request must be received by the division within ninety calendar days of the date the umpire's license was placed on inactive status. The request shall be granted if the former umpire is otherwise eligible

to receive an umpire license. If the umpire's request to reactivate the umpire's license is not received within ninety calendar days of the date the license was placed on inactive status, the umpire must apply for a new license.

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

Sec. 66. NEW SECTION. **522F.11 Umpires — payment.**

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

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

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

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

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

Sec. 67. NEW SECTION. **522F.12 Umpires — objections.**

A party or appraiser that objects for good cause to a selected umpire within the time limit specified in section 522F.14, subsection 3, paragraph "*b*", shall send the objection

to all parties involved in the appraisal and, if applicable, to the judge who appointed the umpire from the umpire list under section 522F.14, subsection 3, paragraph *"d"*. A copy of the objection shall be sent to the division electronically in the form and manner prescribed by the commissioner. The objection shall include all of the following information:

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

2. The name of the person submitting the objection.

3. The insurer's claim number.

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

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

Sec. 68. NEW SECTION. **522F.13 Umpires — standards of conduct.**

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

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

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

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

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

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

(2) An umpire is a party to, or a member or employee of a law firm that represents a party to, a current lawsuit

involving an insurer that is party to the appraisal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 69. NEW SECTION. **522F.14 Appraisal process.**

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

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

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

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

*d.* The claimant or insurer demands in writing an appraisal.

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

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

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

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

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

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

umpire to commence the umpire's work.

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

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

*b.* The insured's policy number and the insured's claim number.

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

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

*e.* The date the umpire commenced work.

*f.* The legal name of the insurer.

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

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

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

(a) Coverage A — dwelling.

(b) Coverage B — other structures.

(c) Coverage C — personal property.

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

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

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

Sec. 70. NEW SECTION. **522F.15 Appraisal clause.**

All property insurance policies delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2026, shall contain an appraisal clause that

complies with this chapter.

Sec. 71. NEW SECTION. **522F.16 Appraisal award.**

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

2. An insurer's payment of an appraisal award to an insured shall be subject to the limits of coverage, and other terms and conditions of the insured's policy, including reductions for deductibles and prior payments. The insurer shall provide the insured with an itemized and detailed written explanation of the payment of the settlement, including an explanation of any item that is specifically denied under the terms of the policy. Unless otherwise agreed upon by the parties in writing, an appraisal award shall be binding and paid by the insurer within sixty calendar days of the written itemized award being submitted to the insurer.

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

Sec. 72. NEW SECTION. **522F.17 Reporting of actions.**

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

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

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

Sec. 73. NEW SECTION. **522F.18 Records — appraisers and**

**umpires.**

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

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

Sec. 74. NEW SECTION. **522F.19 Hearings — service of process, attendance of witnesses, and production of documents.**

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

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

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

4. The commissioner, at a hearing under this section, may

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

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

Sec. 75. NEW SECTION. **522F.20 License denial, nonrenewal, or revocation — penalties.**

1. The division may place on probation, suspend, revoke, or refuse to issue or renew an appraiser's license or an umpire's

license, and may levy a civil penalty against an appraiser or umpire as provided in section 522F.21, for one or more of the following causes:

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

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

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

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

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

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

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

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

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

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

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

*l.* The umpire knowingly acted as an umpire during the conduct of an appraisal with an individual who is not, but is required to be, licensed as an appraiser during an appraisal.

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

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

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

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

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

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

3. The license of an umpire, an appraiser, or an appraiser business entity may be suspended, revoked, placed on probation, or refused if the commissioner finds, after hearing, that an umpire's, appraiser's, or appraiser business entity's violation was known or should have been known by a partner, officer,

or manager of the business entity and the violation was not reported to the commissioner and corrective action was not taken.

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

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

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

*b.* Investigative information in the possession of the commissioner or the commissioner's agent that relates to appraiser or umpire discipline may be disclosed at the discretion of the commissioner. The commissioner may share documents, materials, or other information, including confidential and privileged documents, materials, or information under this subsection with other state, federal, and international regulatory agencies, with NAIC and its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the

recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information.

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

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

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

Sec. 76. NEW SECTION. **522F.21 Civil and criminal penalties.**

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

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

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

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

(3) If the person knew or reasonably should have known the person was in violation of this chapter, assess a civil penalty of not more than five thousand dollars for each violation of this chapter not to exceed an aggregate penalty of fifty

thousand dollars in any one six-month period.

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

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

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

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

described in section 505.7, subsection 9.

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

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

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

Sec. 77. NEW SECTION. **522F.22 Reinstatement or reissuance of a license after disciplinary matters — forfeiture in lieu of compliance.**

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

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

(2) An appraiser shall not be eligible for reinstatement or reissuance until the appraiser satisfies the requirements under section 522F.3 and pays any required fees. An appraiser may be

required to submit a new or renewal appraiser application under section 522F.5.

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

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

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

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

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

*g.* Unless otherwise provided by law, if an order of revocation or suspension did not establish terms upon which reinstatement or reissuance may occur, or if the license was forfeited, an initial application for reinstatement or reissuance shall not be made until at least one year from the

date of the order of the suspension, revocation, or acceptance of the forfeiture of a license.

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

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

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

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

6. A submission of voluntary forfeiture of a license shall be made in writing to the commissioner. Forfeiture of a license is effective upon the date of submission unless a contested case proceeding is pending on the date of submission. If a contested case proceeding is pending, the forfeiture shall become effective upon conditions as required by order of the

commissioner. A forfeiture made during the pendency of a contested case proceeding shall be considered a disciplinary action and shall be published in the same manner as is applicable to any other form of disciplinary order.

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

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

Sec. 78. NEW SECTION. **522F.23 Suspension for failure to pay child support or state debt.**

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

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

of the following:

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

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

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

*d.* A copy of the certificate of noncompliance.

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

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

in the notice.

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

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

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

8. Notwithstanding any provision of law to the contrary, the

division may share information with the child support recovery unit or the centralized collection unit of the department of revenue for the sole purpose of identifying appraisers or umpires subject to enforcement under chapter 252J or 272D.

Sec. 79. NEW SECTION. **522F.24 Severability.**

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

Sec. 80. CODE EDITOR DIRECTIVE. The Code editor shall divide chapter 522F into subchapters and shall designate sections 522F.1 through 522F.2, as enacted in this division of this Act, as subchapter I entitled "General Provisions", sections 522F.3 through 522F.7, as enacted in this division of this Act, as subchapter II entitled "Appraisers", sections 522F.8 through 522F.13, as enacted in this division of this Act, as subchapter III entitled "Umpires", sections 522F.14 through 522F.16, as enacted in this division of this Act, as subchapter IV entitled "Appraisals", sections 522F.17 through 522F.18, as enacted in this division of this Act, as subchapter V entitled "Duties of Licensees", and sections 522F.19 through 522F.23, as enacted in this division of this Act, as subchapter VI entitled "Hearings and Penalties".

DIVISION VII

IOWA ECONOMIC EMERGENCY FUND — PROCLAMATION OF DISASTER EMERGENCY

Sec. 81. Section 8.55, subsection 3, paragraph a, Code 2025, is amended to read as follows:

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

only be appropriated by the general assembly for emergency expenditures.

Sec. 82. Section 8.55, subsection 3, Code 2025, is amended by adding the following new paragraph:

NEW PARAGRAPH. *f.* (1) It is the intent of the general assembly for this paragraph to enable the executive branch to react to disasters impacting this state, including the ability to protect citizens, safeguard property, ensure safety, and provide for economic stability during disaster emergencies.

(2) For the fiscal year beginning July 1, 2025, and each fiscal year thereafter, there is appropriated from the Iowa economic emergency fund to the department of management ten percent of the maximum balance of the Iowa economic emergency fund as calculated for the immediately preceding fiscal year, to be used for disaster response, disaster recovery activities, or disaster aid to citizens. For purposes of this subparagraph, "*disaster response, disaster recovery activities, or disaster aid to citizens*" includes any of the following:

(a) Disaster aid provided to businesses engaged in disaster recovery as described in chapter 15, subchapter II, part 13, and housing businesses engaged in disaster recovery housing projects as defined in section 15.354, subsection 6.

(b) Disaster recovery housing assistance provided under chapter 16, subchapter VII, part 6.

(c) Support for programs under chapter 29C, including support for the director of the department of homeland security and emergency management in executing the director's powers and duties under section 29C.8.

(d) Support for any other program through which disaster response, recovery activities, or aid is effected, provided the program is not inconsistent with the intent set forth in this paragraph.

(3) The department of management's disbursements of moneys appropriated to the department under this paragraph are contingent upon all of the following:

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

(b) The disbursement occurs at the direction of the governor, with the approval of the executive council, pursuant to section 29C.6, subsection 18.

(4) Subject to the approval of the governor, the department of management may provide for an interdepartmental transfer of moneys appropriated in this paragraph to another department or establishment for the purposes specified in this paragraph, subject to the notification and reporting requirements set forth in section 8.39, subsections 4 and 5, but notwithstanding the other limitations and requirements of section 8.39. Disbursements by the department of management under this paragraph to another department or establishment shall not be counted in calculating the aggregate amount of intradepartmental and interdepartmental transfers under section 8.39, subsection 3.

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

(6) (a) Notwithstanding section 8.33, moneys disbursed by the department of management under this paragraph to another department or establishment shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year, at which time the moneys shall revert to the Iowa economic emergency fund.

(b) Moneys not disbursed as described in subparagraph division (a) shall revert to the Iowa economic emergency fund at the close of the fiscal year for which the moneys were appropriated, as required under section 8.33.

Sec. 83. Section 29C.6, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 18. Direct the disbursement of moneys by the department of management under section 8.55, subsection 3, paragraph "f", with the approval of the executive council.

DIVISION VIII

IOWA ECONOMIC EMERGENCY FUND — APPROPRIATIONS

Sec. 84. NUISANCE PROPERTY REMEDIATION ASSISTANCE FUND — FY 2024-2025. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the economic development authority for the fiscal year beginning July 1, 2024, and ending June 30, 2025, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 2,000,000

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

Sec. 85. DISASTER RECOVERY HOUSING ASSISTANCE FUND — FY 2024-2025. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the Iowa finance authority for the fiscal year beginning July 1, 2024, and ending June 30, 2025, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 11,600,000

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

Sec. 86. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.