

Session, chapter eighty-seven (87), section twelve (12), is amended to read as follows:

SEC. 12. Effective July 1, 1978, and notwithstanding any other provisions of this Act, goods made available by Iowa State Industries shall be restricted to items, materials, supplies and equipment which are formulated and/or manufactured by Iowa State Industries and shall not include goods, materials, supplies or equipment which are merely purchased by Iowa State Industries for repacking or resale except with approval of the state director when such repacking for resale items are directly related to product lines.

Sec. 96. Acts of the Sixty-seventh General Assembly, 1977 Session, chapter one hundred fifty-four (154), is amended by striking section thirty-one (31).

Approved June 13, 1978

CHAPTER 1030

DIVISION OF RISK MANAGEMENT

H. F. 545

AN ACT relating to the management of loss and loss exposures of government.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. DEFINITIONS. As used in the Act, unless the context otherwise requires:

1. "Department" means the department of general services.
2. "Division" means the division of risk management created by section three (3) of this Act.
3. "Insurance coverage" means any contract whereby loss exposure or risk exposure is transferred to or shared by an insurer.
4. "Governmental subdivision" means and includes a city, county, township, school district, area education agency, area vocational school, area community college, and entities created by agreement under chapter twenty-eight E (28E) of the Code. The term does not include any unit or agency of state government.

Sec. 2. NEW SECTION. SCOPE OF ACT. This Act applies to all property and casualty loss exposures, but does not apply to any exposure covered by life, accident and health, or workers compensation insurance, and does not apply to any retirement plan or system.

This Act shall not apply to the loss and loss exposures of the state board of regents or the state department of transportation until July 1, 1980. Commencing July 1, 1980, the duties of the department of general services under this Act shall extend to and encompass the personnel and property of the state board of regents and the state department of transportation in the same manner and to the same extent as other agencies of state government. This Act shall not apply to loss and loss exposures for revenue producing facilities under the state board of regents which are required to carry insurance under a bond covenant.

Sec. 3. NEW SECTION. RISK MANAGEMENT DIVISION. There is created within the department of general services a division of risk management which shall be the agency which administers this Act. The division shall be supervised by a risk manager who shall be appointed and subject to removal by the director of the department of general services.

Sec. 4. NEW SECTION. PERSONNEL. The director of the department shall employ a risk manager and such other permanent full-time personnel as shall be necessary to administer this chapter. All permanent full-time personnel other than the risk manager shall be subject to chapter nineteen A (19A) of the Code. The director is authorized to hire as independent contractors such other persons as may be necessary to assist the risk manager in establishing standards and procedures under this Act.

Sec. 5. NEW SECTION. DUTIES OF DIVISION.

1. The risk management division shall have the following continuing duties, with respect to loss and loss exposures of state government:

- a. To develop and maintain loss and exposure data on all state property and liability risks;
- b. To develop risk reduction or elimination programs;
- c. To determine which risk exposures shall be insured and which risk exposures shall be self-insured or assumed by the state;
- d. To review the insurance purchasing practices of the state;
- e. To establish standards for the purchase of necessary insurance coverage at the lowest costs, consistent with good underwriting practices and sound risk management techniques; and
- f. To recommend to the general assembly such legislation

as may be necessary from time to time to carry out the purposes of this Act.

2. The division may develop programs for the management of loss and loss exposures of governmental subdivisions which may include, but shall not be limited to, the following:

- a. To assist subdivisions in the development and maintenance of loss and loss exposure data on property and liability risks of governmental subdivisions;
- b. To recommend risk reduction or risk elimination programs to governmental subdivisions;
- c. To recommend to governmental subdivisions those practices which will permit protection against losses at the lowest costs, consistent with good underwriting practices and sound risk management techniques;
- d. To negotiate or acquire insurance coverage for governmental subdivisions, subject to the limitations contained in this Act; and
- e. To recommend to the general assembly and governmental subdivisions, such changes in statutes, ordinances and policies as might be necessary to enable governmental subdivisions to develop and implement risk management programs.

Sec. 6. NEW SECTION. GUIDELINES.

1. The risk management division shall carry out its duties relating to state government loss and risk exposures pursuant to the following guidelines:

- a. To the extent possible, all insurance coverage which is purchased for vehicles owned by the state shall be under fleet policies.
- b. Bonding of state employees shall be reevaluated, and uniform standards shall be adopted for the purchase of all fidelity bonds recommended for state employees. To the extent possible, all bonded state employees shall be covered under one or more blanket bonds or position schedule bonds.
- c. The management of state property loss exposures and state liability risk exposures shall be accomplished for state government as a whole, and without regard to the branch of government or the agency within which the loss exposure or risk exposure arises, except that the state board of regents shall share in the management of property loss exposures and liability risk exposures involving institutions under the jurisdiction of the board.
- d. Insurance coverage may include any type of insurance protection sold by insurers, including but not limited to, full coverage, partial coverage, co-insurance, reinsurance,

and deductible insurance.

2. The division may develop programs relating to governmental subdivisions which shall be subject to the following guidelines:

a. Participation by a governmental subdivision in any risk management program offered by the division shall be on a voluntary basis.

b. The division shall not be required to negotiate or purchase insurance coverage for any governmental subdivision, as permitted by this Act, which fails to comply with standards adopted by the division.

c. Risk management programs may treat loss and risk exposures of governmental subdivisions individually, or on a group basis, or both.

Sec. 7. NEW SECTION. PURCHASE OF INSURANCE.

1. The department shall be the exclusive contracting agency for the purchase of insurance coverage for state loss and risk exposure except for revenue producing facilities under the state board of regents which have to comply with bond covenants and, further provided that any contract for insurance coverage for loss and risk exposure affecting any institution under the jurisdiction of the state board of regents.

2. The department may negotiate with insurers on behalf of governmental subdivisions for the purchase of insurance coverage.

3. The department may purchase such contracts of insurance, and may contract with such insurers, as are within the standards prescribed by the risk management division. Funding for the purchase of insurance shall be provided by a specific and separate appropriation provided solely for this purpose.

4. The department may acquire insurance coverage on behalf of one or more governmental subdivisions. Any insurance contract negotiated by the department may include coverage or coverages for state loss or risk exposures and for the loss or risk exposures of one or more governmental subdivisions, or for any combination thereof.

5. The director of the department of general services may act as attorney in fact under section five hundred twenty point two (520.2) of the Code for governmental subdivisions executing reciprocal or interinsurance contracts under chapter five hundred twenty (520) of the Code.

6. The department of general services shall not charge governmental subdivisions for risk management services.

However, the department shall not expend state funds for the purchase of insurance coverage for any governmental subdivision.

Sec. 8. NEW SECTION. EXECUTIVE COUNCIL SUPERVISION.

All standards adopted by the division under this Act shall be subject to review and disapproval by the executive council. However, each standard proposed by the division shall be effective on the date specified in the standard unless specifically disapproved by the executive council within thirty days after a copy of the proposed standard is delivered to the secretary of the executive council.

Sec. 9. NEW SECTION. ACCESS TO STATE RECORDS. The division shall be given full assistance and cooperation by every state agency and its officers and employees. Each agency shall provide to the division all requested loss and loss exposure information, and shall comply with all standards and directives of the division and of the department relating to the administration of this Act except as herein provided.

Sec. 10. Section five hundred twenty point one (520.1), Code 1977, is amended to read as follows:

520.1 AUTHORIZATION. Individuals, partnerships, and corporations, ~~including-independent-school-districts-and-municipal-corporations,~~ and cities, counties, townships, school districts and any other units of local government of this state, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with each other, and with individuals, partnerships, and corporations of other states, territories, districts, and countries, providing insurance among themselves from any loss which may be insured against under the law, except life insurance.

Sec. 11. The division shall commence the duties specified in this Act with respect to loss and loss exposures of state government as soon as practicable after the effective date of this Act. The division shall submit to the general assembly convening in January of 1980 a report containing the findings and recommendations of the division, and containing any standards adopted after the effective date of this Act, and containing recommendations for those statutory changes which are necessary to implement or to permit the implementation of standards proposed by the division.

The division shall include a summary of its annual costs of operation, the risks covered and the premiums paid in this report.

It is the intent of this Act that standards adopted by the division shall be subject to any limitations contained in the laws of this state as they exist on and after the effective date of this Act. Nothing contained in this Act shall be deemed to amend or repeal any law of this state relating to the insuring of the state or its agencies against risks, and nothing contained in this Act shall be deemed to delegate to the division or any other person the power to amend or repeal any such law.

The division may commence the development of programs relating to governmental subdivisions at any time in the discretion of the director of the department, provided that the duties of the division with respect to state government shall be given priority over other functions of the division.

Approved June 22, 1978

CHAPTER 1031
CAPITOL PLANNING COMMISSION

H. F. 32

AN ACT relating to the membership, terms of office, and organization of the capitol planning commission.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section eighteen A point one (18A.1), Code 1977, is amended to read as follows:

18A.1 COMMISSION CREATED. There is hereby created the capitol planning commission composed of ~~nine~~ eleven members: (1) four members of the general assembly serving as ex officio nonvoting members, two thereof to be appointed by the speaker of the house from the membership thereof, two to be appointed by the lieutenant governor from the membership of the senate, and (2) ~~three~~ six residents of the state of Iowa to be appointed by the governor, and (3) the director of the department of general services or his designee ~~and-the-state architect-provided-by-section-248-58.~~

Sec. 2. Section eighteen A point two (18A.2), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

18A.2 TERMS OF OFFICE.