

CHAPTER 165

INSURANCE OFFENSES AND PENALTIES

H. F. 559

AN ACT relating to offenses and penalties under the Iowa unauthorized insurers Act and the insurance trade practices Act.

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

Section 1. Section 507A.3, unnumbered paragraph 1, Code 1981, is amended to read as follows:

Unless otherwise indicated, ~~the term~~ "insurer" as used in this section includes all corporations, associations, partnerships and individuals engaged in the business of insurance. Any of the following acts in this state, effected by mail or otherwise, by an unauthorized ~~foreign-ex-alien~~ insurer is defined to be doing an insurance business in this state:

Sec. 2. Section 507A.10, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

507A.10 The commissioner may assess a civil penalty of not more than fifty thousand dollars against a person or insurer who has violated a provision of this chapter.

Sec. 3. Section 507B.7, subsection 1, paragraph a, Code 1981, is amended to read as follows:

a. Payment of a ~~monetary~~ civil penalty of not more than one thousand dollars for each ~~and-every~~ act or violation, but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known he or she was in violation of section 507B.4 or 507B.5, in which case the penalty shall be not more than five thousand dollars for each ~~and-every~~ act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period. The commissioner shall, if ~~he~~ the commissioner finds the violations of sections 507B.4 or 507B.5 were directed, encouraged, condoned, ignored, or ratified by the employer of ~~such the~~ such the person, or by an insurer, also assess ~~such a~~ such a fine to the employer ~~and--not~~ such-person or insurer.

Approved May 5, 1981