

CHAPTER 213**INSURANCE — ADMINISTRATIVE AND REGULATORY PROVISIONS***H.F. 634*

AN ACT relating to the regulation of the business of insurance, amending certain filing requirements, filing fees, and the deposit of those fees by the insurance division, providing for the prior review and approval of certain policy forms and rates prior to issuance or delivery, making modifications to certain meeting and license renewal requirements, providing administrative penalties, and providing for the Act's applicability.

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

Section 1. NEW SECTION. 505.13A AVAILABILITY OF CERTAIN RATING INFORMATION.

1. The division shall provide to any person requesting publicly available information relating to the financial condition of any insurance company licensed to do business in the state, including, but not limited to, the following:

- a. Current ratings issued by a private rating organization.
- b. Information on how to obtain such information from various sources.
- c. Information on the state insurance guaranty funds.

2. The provision of such information by the division shall not be the basis to impose liability upon the division or any employee of the division. Information provided under this section is not an endorsement or guaranty of any insurance company.

Sec. 2. NEW SECTION. 507C.20A REDOMESTICATION OF FOREIGN INSURER.

The commissioner may petition the court for an ancillary receivership or for an order redomesticating a foreign insurer which is the subject of a liquidation or other delinquency order in a reciprocal state. Only the corporate charter and rights to the licenses under such charter shall be redomesticated to Iowa. All claims against the foreign insurer shall remain a part of and be administered through the reciprocal state liquidation or other delinquency proceeding. Following notice as prescribed by the court and a hearing, the court may sell the corporation as an entity, together with any of its licenses, free and clear from the claims or interests of all claimants, creditors, policyholders, and stockholders of the corporation under liquidation or other delinquency proceedings, wherever located. The sale may be made on terms and conditions the court deems appropriate. The proceeds of the sale, less court costs, attorney fees, broker's fees, and the commissioner's expenses in effectuating the sale, shall become part of the assets of the liquidation or other estate in the reciprocal state.

Sec. 3. Section 507C.33, subsection 1, Code 1991, is amended by adding the following new paragraph after paragraph a and relettering existing paragraph b:

NEW PARAGRAPH. b. Notwithstanding paragraph "a", the agent, broker, premium finance company, or other person, is not liable for uncollected unearned premium of the insurer. A presumption exists that the premium as shown on the books of the insurer is collected and the burden is upon the agent, broker, premium finance company, or other person to demonstrate by a preponderance of the evidence that the unearned premium was not actually collected. For purposes of this paragraph, "unearned premium" means that portion of an insurance premium covering the unexpired term of the policy or the unexpired period of the policy period.

Sec. 4. Section 508.7, Code 1991, is amended to read as follows:

508.7 LOANS TO OFFICERS.

Except as permitted in ~~section~~ sections 508.8 and 508.8A, the capital or other funds shall not be loaned directly or indirectly to an officer, director, stockholder, or employee of the company or directly or indirectly to a relative of an officer or director of the company.

Sec. 5. NEW SECTION. 508.8A LOANS TO EMPLOYEES.

1. A life insurance company having a ratio of statutory surplus to admitted assets of at least four percent may make, acquire, and hold loans to employees, officers, and directors under the following terms and conditions:

a. The company may make a mortgage loan on real property owned by an employee of the company which is to serve as the employee's dwelling, provided the company is regularly and actively involved in making residential mortgage loans to the public.

b. The company may acquire a mortgage loan on real property owned by an employee of the company which is to serve as the employee's dwelling, provided the company acquiring such loan is regularly and actively involved in acquiring residential mortgage loans not involving employees from sources in the secondary market.

c. The company may acquire a mortgage loan on real property owned by an employee, officer, or director which is included in a portfolio of mortgages initiated by others and acquired by the life insurance company. The mortgage loans in any such acquired portfolio of mortgage loans must satisfy both of the following conditions:

(1) More than seventy-five percent of the dollar value of the mortgage loans must be for real property that is owned by persons who are not employees, officers, or directors of the company.

(2) More than seventy-five percent of the mortgage loans must be for real property that is owned by persons who are not employees, officers, or directors of the company.

d. The company may continue to hold a mortgage loan on real estate which is assumed by an employee, officer, or director if the mortgage was originally properly made or acquired by the life insurance company, provided that all terms and conditions of the mortgage loan remain unchanged and the mortgage loan is serviced in accordance with customary servicing practices of prudent lending institutions.

e. The company may continue to hold a mortgage on real estate owned by an officer or director which was properly made or acquired by the company before the officer or director became an officer or director of the company, provided that all terms and conditions of the mortgage loan remain unchanged and the mortgage loan is serviced in accordance with customary servicing practices of prudent lending institutions.

2. As used in this section, "employee" does not include officers or directors of a life insurance company.

Sec. 6. Section 508.15, Code 1991, is amended to read as follows:

508.15 VIOLATION BY FOREIGN COMPANY.

Companies organized and chartered by the laws of a foreign state or country, failing to file the evidence of investment and statement within the time fixed, or failing to timely file any financial statement required by rule of the commissioner of insurance, shall forfeit and pay ~~the sum of three five hundred dollars~~, to be collected in an action in the name of the state and paid to the treasurer of state for deposit in the general fund of the state as provided in section 505.7, and their right to transact further new business in this state shall immediately cease until the requirements of this chapter have been fully complied with. The commissioner may give notice to a company which has failed to file within the time fixed that the company is in violation of this section and if the company fails to file the evidence of investment and statement within ten days of the date of the notice the company shall forfeit and pay the additional sum of one hundred dollars for each day the failure continues, to be paid to the state treasurer for deposit in the general fund of the state as provided in section 505.7.

Sec. 7. NEW SECTION. 508.15A SUSPENSION AND SUMMARY SUSPENSION.

The commissioner may do one or more of the following:

1. For a violation of Title XX, after a hearing provided pursuant to chapter 17A, order the suspension of the license or authority to transact the business of insurance within the state.

2. Upon three days' notice, if the commissioner has reason to believe that there is imminent substantial risk to an insurer's solvency, order the insurer to appear before the commissioner

and show cause why its license or authority to do insurance business within the state should not be suspended. At the hearing to show cause, the commissioner may summarily suspend the license or authority of the insurer to do business within the state.

3. Summarily order an insurer to cease and desist from a violation, anticipated violation, or suspected violation of chapter 507B, 510, or 513A, if a hearing is provided pursuant to chapter 17A within thirty days of the summary cease and desist order.

Sec. 8. Section 510.7, subsection 1, as enacted by 1991 Iowa Acts, Senate File 518,* is amended to read as follows:

510.7 PENALTIES AND LIABILITIES.

1. If the commissioner finds, after a hearing conducted in accordance with chapter 17A, that any person has violated one or more provisions of this chapter, the commissioner may ~~order~~ do one or more of the following:

a. For each separate violation, ~~order~~ the imposition of an administrative penalty of not more than ten thousand dollars.

b. ~~Revocation~~ Order the revocation or suspension of the producer's license.

c. ~~Reimbursement~~ Bring a civil suit seeking reimbursement by the managing general agent of the insurer, the rehabilitator, or the liquidator of the insurer for any losses incurred by the insurer caused by a violation of this chapter committed by the managing general agent.

Sec. 9. Section 510A.4, subsection 1, as enacted by 1991 Iowa Acts, Senate File 518,** is amended to read as follows:

1. a. If the commissioner has reason to believe that a controlling producer has committed or is committing an act which could be determined to be a violation, as defined in section 510A.2, the commissioner shall serve upon the controlling producer in the manner provided by chapter 17A, a statement of the charges and notice of a hearing to be conducted in accordance with chapter 17A.

b. ~~At such hearing, the commissioner must establish that the controlling producer engaged in a violation, as defined in section 510A.2. The controlling producer shall have an opportunity to be heard and to present evidence rebutting the charges and to establish that the insolvency of the controlled insurer arose out of events not attributable to the violation. The decision, determination, or order of the commissioner is subject to judicial review pursuant to chapter 17A.~~

b. At such hearing the commissioner shall determine whether the controlling producer engaged in a violation, as defined in section 510A.2. The controlling producer shall have an opportunity to be heard and to present evidence rebutting the alleged violations. The final action of the commissioner is subject to judicial review pursuant to chapter 17A.

c. Upon the commissioner's finding of a violation by a controlling producer, the commissioner may bring a civil suit seeking reimbursement from the controlling producer as provided in paragraph "d". In the suit, the controlling producer shall have the burden of establishing that the insolvency of the controlled insurer arose out of events not attributable to the violation.

d. Upon a finding, pursuant to this section, that the controlling producer committed a violation and the controlling producer failed to establish that the violation did not substantially contribute to the insolvency, the controlling producer shall reimburse the state guaranty funds, created pursuant to chapter 515B for all payments made for losses, loss adjustment, and administrative expenses on the business placed by the producer in excess of gross earned premiums and investment income earned on premiums and loss reserves for such business.

d e. This section does not affect the right of the commissioner to impose any other penalties provided for under Title XX.

Sec. 10. Section 512A.5, Code 1991, is amended to read as follows:

512A.5 FEES TO COMMISSIONER.

~~There~~ The following fees shall be paid to the commissioner for services required under the provisions of this chapter the following fees, which shall be accounted for by the commissioner in the same manner as other fees received in the discharge of the duties of the office:

*Chapter 26, §7, herein

**Chapter 26, §13, herein

1. For filing and examination of amendments to the articles of incorporation for organization in this state and the accompanying general plan of operation of any benevolent association, and the issuing of the permission to do business, ~~ten~~ twenty dollars.

2. For filing an annual statement of a benevolent association, and issuing the renewal of the permission required by law to authorize continuance in business, ~~three~~ twenty-five dollars per existing unit, not to exceed three hundred dollars in the aggregate.

Sec. 11. NEW SECTION. 513A.1 PURPOSE.

The purpose of this chapter is to give the commissioner jurisdiction over third-party payors of health care benefits; to indicate how a third-party payor of health care benefits may show the jurisdiction to which the third-party payor is subject, to allow for examinations by the commissioner if the third-party payor of health care benefits is unable to establish that a third-party payor is subject to another jurisdiction, to make a third-party payor of health care benefits subject to the laws of this state if the third-party payor cannot show that it is subject to another jurisdiction, and to disclose to purchasers of such health care benefits whether or not the plans are fully insured.

Sec. 12. NEW SECTION. 513A.2 AUTHORITY AND JURISDICTION OF COMMISSIONER.

Except as provided in this chapter, a third-party payor providing coverage in this state for medical, surgical, chiropractic, physical therapy, speech pathology, audiology, professional mental health, dental, hospital, or optometric expenses, whether the coverage is by direct payment, reimbursement, or otherwise, is presumed to be subject to the jurisdiction of the commissioner of insurance, unless the person shows that while providing such services the person is subject to the jurisdiction of another agency of the state or the federal government.

Sec. 13. NEW SECTION. 513A.3 HOW TO SHOW JURISDICTION.

A third-party payor may establish that the third-party payor is subject to the jurisdiction of another agency of the state, any subdivision of the state, or the federal government, by providing to the insurance commissioner the appropriate certificate, license, or other document issued by the agency which permits or qualifies the third-party payor to provide those services.

Sec. 14. NEW SECTION. 513A.4 EXAMINATION.

A third-party payor unable to establish under section 513A.3 that the third-party payor is subject to the jurisdiction of another agency of the state, any subdivision of the state, or the federal government, shall submit to an examination by the insurance commissioner to determine the organization and solvency of the third-party payor or the entity, and to determine whether or not the third-party payor complies with the applicable provisions of state law.

Sec. 15. NEW SECTION. 513A.5 SUBJECT TO STATE LAWS.

A third-party payor unable to establish that the third-party payor is subject to the jurisdiction of another agency of the state, any subdivision of the state, or the federal government, is subject to all appropriate provisions of Title XX regarding the conduct of the business of the third-party payor.

Sec. 16. NEW SECTION. 513A.6 DISCLOSURE.

A production agency or administrator which advertises, sells, transacts, or administers the coverage in this state as defined in section 513A.2 and which is required to submit to an examination by the insurance commissioner under section 513A.4, shall, if the coverage is not fully insured or otherwise fully covered by an admitted life or disability insurer, nonprofit hospital service plan, or nonprofit health care plan, advise every purchaser, prospective purchaser, and covered person of the lack of insurance or other coverage.

An administrator which advertises or administers the coverage in this state as defined in section 513A.2 and which is required to submit to an examination by the insurance commissioner under section 513A.4, shall advise any production agency of the elements of the coverage, including the amount of stop-loss insurance in effect.

Sec. 17. NEW SECTION. 514A.13 FILING REQUIREMENT — PRIOR APPROVAL.

A policy of insurance against loss or expense from sickness or from the bodily injury or death by accident of the insured shall not be issued or delivered to any person in this state and an application, rider, or endorsement shall not be used in connection with the policy until a copy of the policy form and of the classification of risks and the premium rates, or, in the case of cooperatives or assessment companies the estimated costs pertaining to the policy have been filed with and approved by the commissioner.

A filing is deemed to be approved unless disapproved by the commissioner within thirty days of receipt of the filing by the commissioner.

Sec. 18. NEW SECTION. 514A.14 DISAPPROVAL OF FILING.

1. The commissioner shall notify an insurer which has filed a policy form pursuant to section 514A.13 that does not comply with this chapter or chapter 514D, or rules adopted pursuant to those chapters. The notice shall inform the insurer that it is unlawful for the insurer to issue the form or use it in connection with any policy, if the commissioner finds upon review of the form, either of the following:

- a. The benefits provided are unreasonable in relation to the premium charged.
- b. The form contains a provision which is unjust, unfair, inequitable, misleading, deceptive, or which encourages misrepresentation of the policy.

2. In a notice provided under subsection 1, the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within twenty days after request in writing by the insurer.

Sec. 19. NEW SECTION. 514A.15 WITHDRAWAL OF APPROVAL.

The commissioner may at any time, after opportunity for hearing, withdraw the commissioner's previously given approval of any such form on any of the grounds stated in section 514A.14. It shall be unlawful for the insurer to issue a form or use the form in connection with any policy after the effective date of the withdrawal of approval. The notice of any hearing granted under this paragraph shall specify the matters to be considered at the hearing. Any decision affirming disapproval or directing withdrawal of approval under this section shall be in writing and shall specify the reasons for the disapproval or withdrawal of approval.

Sec. 20. NEW SECTION. 514C.6 UNIFORMITY OF TREATMENT — EMPLOYEE WELFARE BENEFIT PLANS.

1. A statutory provision to mandate a health care coverage or service, or to mandate the offering of a health care coverage or service, applies to all state-regulated third-party payors and to employee welfare benefit plans described in 29 U.S.C. § 1001 et seq. However, if an employee welfare benefit plan subject to federal regulation is not subject to a substantially similar requirement, the statutory provision does not apply to a state-regulated third-party payor until the employee welfare benefit plans are subject to a substantially similar standard under federal regulations as determined by the commissioner.

2. For purposes of this section unless the context otherwise requires, a third-party payor means:

- a. An accident and sickness insurer, subject to chapter 509 or 514A.
- b. A nonprofit health service corporation, subject to chapter 514.
- c. A health maintenance organization, subject to chapter 514B.
- d. Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.

Sec. 21. Section 514G.7, subsection 2, Code 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. Be issued to an individual without obtaining one or more of the following:

- (1) A report of a physical examination.
- (2) An assessment of functional capacity.

- (3) An attending physician's statement.
- (4) Copies of medical records.

Sec. 22. Section 514G.7, subsection 4, paragraph a, subparagraph (1), Code 1991, is amended by adding the following new subparagraph subdivisions:

NEW SUBPARAGRAPH SUBDIVISION. (a) Effective July 1, 1991, any holder of a long-term care insurance policy, which is not noncancelable or guaranteed renewable, was issued before July 1, 1989, and conditions eligibility for benefits on a requirement of prior hospitalization, shall, unless it has previously been offered by the insurer, be offered by the insurer a rider or endorsement that waives the requirement of prior hospitalization. If the rider or endorsement results in a concomitant increase in premium during the policy term, then it must be agreed to in writing and signed by the insured to become effective.

NEW SUBPARAGRAPH SUBDIVISION. (b) The rider or endorsement under subparagraph subdivision (a) shall be subject to the insurer's underwriting guidelines as proof of insurability at the time of application for the rider or endorsement.

NEW SUBPARAGRAPH SUBDIVISION. (c) Effective July 1, 1991, any holder of a non-cancelable or guaranteed renewable long-term care insurance policy issued before July 1, 1989, which conditions eligibility for benefits on a requirement of prior hospitalization, shall, unless the holder has previously been notified by the insurer, be notified by the insurer in writing prior to or at the time of delivery of the next premium statement of the existence of the condition and that new policies issued by any insurance carrier may not condition benefits on a requirement of prior hospitalization. The insurer shall not solicit the replacement of the non-cancelable or guaranteed renewable policy at the same time as the delivery of notice under this subparagraph subdivision.

Sec. 23. Section 514G.7, subsection 4, paragraph d, Code 1991, is amended to read as follows:

d. A long-term care insurance policy ~~which conditions~~ shall not condition eligibility for non-institutional benefits on the prior receipt of institutional care ~~shall not require a prior institutional stay of more than thirty days for which benefits are paid.~~

Sec. 24. NEW SECTION. 514G.10 LONG-TERM CARE CONSUMER GUIDE.

An insurer offering a long-term care insurance policy to any person shall provide to the applicant the current long-term care insurance consumer guide prescribed by the insurance division of the department of commerce. The commissioner of insurance may by reference adopt or permit the use of the long-term care insurance consumer guide developed by the national association of insurance commissioners, the blue cross and blue shield association, or the health insurance association of America. Delivery of the long-term care insurance consumer guide shall be made if a policy is advertised, solicited, or issued as a policy as defined in this chapter, or if it is subject to this chapter, regardless of the label applied by the insurer. Except in the case of direct response insurers, delivery of the long-term care insurance consumer guide shall be made to the applicant at the time of application, and acknowledgement of receipt of the long-term care insurance consumer guide shall be obtained by the insurer. A direct response insurer shall deliver the long-term care insurance consumer guide to the applicant at the time the policy is delivered. An insurance company required to distribute the guide shall reimburse the state for all costs associated with the guide.

Sec. 25. Section 515.26, Code 1991, is amended to read as follows:

515.26 DIRECTORS.

The affairs of a company organized as provided by this chapter shall be managed by a number of directors, of not less than five nor more than twenty-one, all of whom, in case of a stock company, shall be stockholders, or, in case of a mutual company, be policyholders, or before the company shall effect insurance, be subscribers for stock or for insurance as the case may be. ~~When the paid-up capital for a stock company, or the subscriptions for insurance for a mutual company, shall have been obtained, the incorporators or directors in charge of the business shall give at least ten days' written notice by mail to stockholders or subscribers, as the case may be, of a meeting of the stockholders or subscribers, for the election of directors, and such~~

meeting shall be held within thirty days after the paid-up capital or subscriptions have been secured. The directors then elected shall continue in office until their successors have been elected and qualified.

Sec. 26. Section 515.65, Code 1991, is amended to read as follows:

515.65 CERTIFICATE REFUSED — ADMINISTRATIVE PENALTY.

The commissioner of insurance shall withhold the commissioner's certificate or permission of authority to do business from a company neglecting or failing to comply with this chapter. In addition, a company organized or authorized under this chapter which fails to file the annual statement referred to in section 515.63 in the time required shall pay and forfeit an administrative penalty in an amount of ~~three~~ five hundred dollars to be collected in the name of the state for ~~the use of the state deposit in the general fund of the state as provided in section 505.7.~~ The company's right to transact further new business in this state shall immediately cease until the company has fully complied with this chapter. The commissioner may give notice to a company which has failed to file within the time required that the company is in violation of this section and if the company fails to file the evidence of investment and statement within ten days of the date of the notice the company shall forfeit and pay the additional sum of one hundred dollars for each day the failure continues, to be paid to the treasurer of state for deposit in the general fund of the state as provided in section 505.7.

Sec. 27. Section 515.77, Code 1991, is amended to read as follows:

515.77 CERTIFICATE TO FOREIGN COMPANY.

When ~~any~~ a foreign company has fully complied with the requirements of law and become entitled to do business, the commissioner of insurance shall issue to ~~such~~ the company a certificate of that fact, which certificate shall be renewed annually on the first day of ~~May~~ June, if the commissioner is satisfied that the capital, securities, and investments of ~~such~~ the company remain unimpaired, and the company has complied with the provisions of law applicable ~~thereto~~ to the company. ~~Provided, however~~ However, the commissioner shall not grant or continue authority to transact insurance in this state as to ~~any~~ an insurer the management of which is found by the commissioner, after a hearing ~~held thereon~~ is provided, in which the commissioner shall establish and consider any prior criminal records or any other matters, to be untrustworthy, or so lacking in insurance experience as to make the proposed operation hazardous to the insurance-buying public; or which, after a hearing ~~held thereon~~ is provided, the commissioner has good reason to believe is affiliated directly or indirectly through ownership, control, reinsurance transactions, or other insurance or business relations, with ~~any~~ a person ~~or persons~~ whose business operations are or have been marked, to the detriment of policyholders or stockholders or investors or creditors or of the public, by manipulation or dissipation of assets, or manipulation of accounts, or of reinsurance, or by similar injurious actions.

Sec. 28. Section 515.89, Code 1991, is amended to read as follows:

515.89 REVOCATION OF CERTIFICATE OF FOREIGN COMPANY.

The commissioner of insurance ~~shall be authorized to~~ may examine ~~into~~ the condition and affairs of any insurance company, as provided for in this chapter, doing business in this state, not organized under its laws, or cause such examination to be made by ~~some~~ a person ~~or persons~~ appointed by the commissioner having no interest in any insurance company; and ~~when it shall appear~~ appears to the commissioner's satisfaction that the affairs of ~~any~~ such a company are in an unsound condition or that a company has failed to maintain the capital and surplus required by section 515.69, the commissioner shall revoke or suspend the certificates granted in its behalf, and cause a notification thereof ~~to be published in some newspaper of general circulation, published at the seat of government, and no agent or agents of such company after such notice shall issue policies or renew any previously issued.~~

Sec. 29. NEW SECTION. 515.89A SUSPENSION AND SUMMARY SUSPENSION.

The commissioner may do one or more of the following:

1. For a violation of Title XX, after a hearing provided pursuant to chapter 17A, order the suspension of the license or authority to transact the business of insurance within the state.

2. Upon three days' notice, if the commissioner has reason to believe that there is imminent substantial risk to an insurer's solvency, order the insurer to appear before the commissioner and show cause why its license or authority to do insurance business within the state should not be suspended. At the hearing to show cause, the commissioner may summarily suspend the license or authority of the insurer to do business within the state.

3. Summarily order an insurer to cease and desist from a violation, anticipated violation, or suspected violation of chapter 507B, 510, or 513A, if a hearing is provided pursuant to chapter 17A within thirty days of the summary cease and desist order.

Sec. 30. Section 516A.2, Code 1991, is amended to read as follows:

516A.2 CONSTRUCTION — MINIMUM COVERAGE.

1. Except with respect to a policy containing both underinsured motor vehicle coverage and uninsured or hit-and-run motor vehicle coverage, nothing contained in this chapter shall be construed as requiring forms of coverage provided pursuant hereto, whether alone or in combination with similar coverage afforded under other automobile liability or motor vehicle liability policies, to afford limits in excess of those that would be afforded had the insured thereunder been involved in an accident with a motorist who was insured under a policy of liability insurance with the minimum limits for bodily injury or death prescribed in subsection 10 of section 321A.1. Such forms of coverage may include terms, exclusions, limitations, conditions, and offsets which are designed to avoid duplication of insurance or other benefits.

To the extent that Hernandez v. Farmers Insurance Company, 460 N.W.2d 842 (Iowa 1990), provided for interpolicy stacking of uninsured or underinsured coverages in contravention of specific contract or policy language, the general assembly declares such decision abrogated and declares that the enforcement of the antistacking provisions contained in a motor vehicle insurance policy does not frustrate the protection given to an insured under section 516A.1.

2. Pursuant to chapter 17A, the commissioner of insurance shall, by January 1, 1992, adopt rules to assure the availability, within the state, of motor vehicle insurance policies, riders, endorsements, or other similar forms of coverage, the terms of which shall provide for the stacking of uninsured and underinsured coverages with any similar coverage which may be available to an insured.

3. It is the intent of the general assembly that when more than one motor vehicle insurance policy is purchased by or on behalf of an injured insured and which provides uninsured, underinsured, or hit-and-run motor vehicle coverage to an insured injured in an accident, the injured insured is entitled to recover up to an amount equal to the highest single limit for uninsured, underinsured, or hit-and-run motor vehicle coverage under any one of the above described motor vehicle insurance policies insuring the injured person which amount shall be paid by the insurers according to any priority of coverage provisions contained in the policies insuring the injured person.

Sec. 31. Section 521C.11, subsection 1, paragraph c, as enacted by 1991 Iowa Acts, Senate File 518,* is amended to read as follows:

c. If a violation was committed by the reinsurance intermediary, a civil action brought by the commissioner seeking restitution by the reinsurance intermediary to the insurer, reinsurer, rehabilitator, or liquidator of the insurer or reinsurer for the net losses incurred by the insurer or reinsurer attributable to the violation.

Sec. 32. 1991 Iowa Acts, Senate File 518,** section 63, is amended to read as follows:

SEC. 33.*** Sections 10 through 13, the producer controlled property and casualty insurer Act, division II of this Act, take effect July 1, 1991. An insurer or producer subject to division II of this Act shall not continue, renew, or initiate a contract, or place business on or after July 1, 1991, unless in compliance with division II of this Act, regardless of the date on which the original contract was entered into between the parties. The commissioner shall have the authority to suspend enforcement of sections 10 through 13 of this Act until the earlier of

*Chapter 26, section 29, herein

**Chapter 26 herein

***SEC. 63 probably intended

July 1, 1992, or affirmative action of the national association of insurance commissioners to require enforcement of the Act as a condition of accreditation. If the national association of insurance commissioners rescinds the model producer controlled property and casualty insurer Act or materially amends the Act, the commissioner shall submit the repeal or revisions in a division prefiled bill for consideration by the general assembly.

Sec. 33. Section 682.11, subsection 1, Code 1991, is amended to read as follows:

1. Any company engaged in the business of becoming surety upon bonds The commissioner of insurance shall annually file, with the clerk of the district court of any each county in which the company will do business, a certificate from the commissioner of insurance that the company has complied with the law and is authorized to do business a complete list of the corporate sureties to whom the commissioner has issued a current certificate of authority to transact the business of a surety in this state.

Sec. 34. Section 682.13, Code 1991, is amended to read as follows:

682.13 RECORD BY CLERK.

The clerk shall keep a book, properly indexed, in which shall be recorded all such certificates annual lists from the commissioner of insurance and subsequent notices of revocations.

Sec. 35. 1990 Iowa Acts, chapter 1234, section 76, is amended to read as follows:

SEC. 76. Sections 515A.1 through 515A.19, Code 1989, are repealed effective July 1, ~~1992~~ 1993.

Sec. 36. Section 515.23, Code 1991, is repealed.

Sec. 37. APPLICABILITY. Section 3 of this Act applies to any insurer subject to an order under section 507C.18 issued on or after the effective date of this Act.

Sec. 38. Section 1 of this Act is effective upon the enactment by the Seventy-fourth General Assembly of an appropriation of \$10,000 to the insurance division of the department of commerce for the implementation of that section.

Sec. 39. Section 30 of this Act applies to all causes of action accruing on or after July 1, 1991, and to those accruing before July 1, 1991, which are filed on or after September 15, 1991.

Sec. 40. The Code editor shall remove all references to chapter 513A in this Act and make other related conforming changes, if chapter 513A in this Act is not enacted by the general assembly during the 1991 regular session.

Approved May 28, 1991