

CHAPTER 1017

LIFE INSURANCE — FINANCIAL EXPLOITATION OF ELIGIBLE ADULTS

H.F. 2232

AN ACT relating to life insurance, permissible third parties, and financial exploitation of eligible adults.

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

Section 1. Section 502.806, subsection 3, paragraph b, Code 2026, is amended to read as follows:

b. Fifteen business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds or transaction, unless the administrator requests the broker-dealer or investment adviser to extend the delay, in which case the delay shall expire no more than twenty-five business days after the date on which the broker-dealer or investment adviser first delayed the disbursement of the funds or the transaction extended pursuant to paragraph “c”.

Sec. 2. Section 502.806, subsection 3, Code 2026, is amended by adding the following new paragraphs:

NEW PARAGRAPH. c. If the internal review under subsection 2, paragraph “d”, continues to support the broker-dealer, investment adviser, or qualified individual’s reasonable belief that the disbursement or transaction will likely result in or contribute to the financial exploitation of an eligible adult, the broker-dealer or investment adviser may extend the delay beyond the initial delay under paragraph “b” for no more than twenty-five business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds or transaction, unless extended pursuant to paragraph “d”.

NEW PARAGRAPH. d. If the internal review under subsection 2, paragraph “d”, continues to support the broker-dealer, investment adviser, or qualified individual’s reasonable belief that the disbursement or transaction will likely result in or contribute to the financial exploitation of an eligible adult, the broker-dealer or investment adviser may extend the delay beyond the delay under paragraph “c” for no more than fifty-five business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds or transaction.

Sec. 3. Section 507E.8, subsection 1, paragraphs a and b, Code 2026, are amended to read as follows:

a. For purposes of an arrest resulting from a criminal violation of any provision of the Code subject to the jurisdiction of the commissioner established as a result of an investigation pursuant to this chapter or chapter 502, 502A, 507A, 508, 523A, 523C, 523D, or 523I.

b. While conducting an investigation or engaged in an assignment authorized by this chapter or chapter 502, 502A, 507A, 508, 523A, 523C, 523D, or 523I.

Sec. 4. NEW SECTION. 508.101 Definitions.

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

1. “*Disbursement*” means an attempt to withdraw money or access a benefit from a life insurance policy, an annuity, or any other policy, contract, or account, irrespective of whether the request is classified as a surrender, loan, withdrawal, partial withdrawal, accelerated benefit, or otherwise.

2. “*Eligible adult*” means the same as defined in section 502.801.

3. “*Financial exploitation*” means the same as defined in section 502.801.

4. “*Permissible third party*” means any of the following:

a. An individual the eligible adult previously designated who may be contacted about the eligible adult’s policy, contract, or account.

b. A person otherwise permitted pursuant to any state or federal law or rule to receive

the notification described in section 508.103.

5. “*Qualified individual*” means any of the following:

a. An insurance producer who has completed at least two hours of continuing education focused on how to identify suspected or attempted exploitation of an eligible adult, including common signs indicating the financial exploitation of an eligible adult, and how to provide notification regarding the suspected or attempted exploitation of an eligible adult.

b. An individual who has completed training pursuant to section 508.105.

Sec. 5. NEW SECTION. 508.102 Notification to commissioner.

1. If an insurer or qualified individual reasonably believes financial exploitation of an eligible adult has occurred, was attempted, or is being attempted, the insurer or qualified individual may notify the commissioner when the insurer or qualified individual makes a determination that financial exploitation may have occurred, been attempted, or is being attempted.

2. An insurer or qualified individual who, acting reasonably and in good faith, makes a disclosure of information to the commissioner pursuant to this chapter or under chapter 507E shall be immune from administrative or civil liability that might otherwise arise from such disclosure or from a failure to notify the eligible adult of the disclosure. This section shall not abrogate or modify any existing statutory or common law privileges or immunities.

Sec. 6. NEW SECTION. 508.103 Notification to permissible third party.

1. If an insurer or qualified individual reasonably believes financial exploitation of an eligible adult has occurred, was attempted, or is being attempted, the insurer or qualified individual may notify a permissible third party. Notification to a permissible third party is not required prior to the insurer’s, qualified individual’s, commissioner’s, or other relevant agency’s review or investigation into financial exploitation.

2. An insurer or qualified individual shall not notify a permissible third party if the insurer or qualified individual reasonably suspects such permissible third party of financial exploitation or other abuse of the eligible adult.

3. An eligible adult may voluntarily provide to an insurer contact information for the eligible adult’s permissible third parties. An insurer or qualified individual shall not be held administratively or civilly liable for failing to request the contact information for the eligible adult’s permissible third parties. An insurer or qualified individual who, acting reasonably and in good faith, complies with this section shall be immune from administrative or civil liability that may arise from disclosing the eligible adult’s information to a permissible third party.

Sec. 7. NEW SECTION. 508.104 Disbursements or transactions — delay.

1. If an insurer or qualified individual reasonably believes a disbursement or transaction is likely to result in, or contribute to, the financial exploitation of an eligible adult, the insurer or qualified individual may initiate an internal review of the requested disbursement or transaction.

2. An insurer may delay a disbursement or transaction from an eligible adult’s policy, contract, or account, or a policy, contract, or account on which an eligible adult is a beneficiary, if all of the following apply:

a. The insurer or qualified individual reasonably believes, after initiating an internal review under subsection 1, that the requested disbursement or transaction will likely result in or contribute to the financial exploitation of the eligible adult.

b. Immediately, but in no event more than seven business days after the disbursement or transaction is delayed, the insurer provides written notification of the delay and the reason for the delay to all persons authorized to transact business on the policy, contract, or account. An insurer or qualified individual shall not notify a person authorized to transact business on the policy, contract, or account if the insurer or qualified individual reasonably believes the person has committed financial exploitation, attempted financial exploitation, committed or attempted insurance fraud, or committed or attempted other abuse of the eligible adult.

c. Within seven business days after the disbursement or transaction is delayed, the insurer notifies the commissioner of the delay and provides to the commissioner the reason for the delay, including the status of the internal review initiated under subsection 1.

d. The insurer continues the internal review of the suspected or attempted financial exploitation of the eligible adult, as necessary, and provides the commissioner with updates upon request.

3. Any delay of a disbursement or transaction authorized by this section will expire upon the first to occur of any of the following:

a. A final determination by the insurer that the disbursement or transaction will not result in or contribute to financial exploitation of the eligible adult.

b. Fifteen business days after the date on which the insurer first delayed disbursement of the funds or the transaction, unless extended pursuant to paragraph "c".

c. Provided the internal review under subsection 2, paragraph "d", continues to support the insurer or qualified individual's reasonable belief that the disbursement or transaction will likely result in or contribute to the financial exploitation of an eligible adult, the insurer may extend the delay beyond the initial delay under paragraph "b" for no more than twenty-five business days after the date on which the insurer first delayed disbursement of the funds or the transaction, unless extended pursuant to paragraph "d".

d. Provided the internal review under subsection 2, paragraph "d", continues to support the insurer or qualified individual's reasonable belief that the disbursement or transaction will likely result in or contribute to the financial exploitation of an eligible adult, the insurer may extend the delay beyond the delay under paragraph "c" for no more than fifty-five business days after the date on which the insurer first delayed disbursement of the funds or transaction.

4. Notwithstanding subsection 3, upon petition of the commissioner, the insurer who initiated a delay pursuant to this section, or another interested party, a court of competent jurisdiction may enter an order terminating, extending, or modifying the delay of the disbursement or transaction and may order any other protective relief deemed necessary.

5. The commissioner may adopt rules pursuant to chapter 17A regarding the form and manner of notifications under this section.

6. An insurer or qualified individual who, acting reasonably and in good faith, complies with the requirements of this section or chapter 507E shall be immune from administrative or civil liability that may arise from a delay in a disbursement or transaction initiated pursuant to this section.

Sec. 8. NEW SECTION. 508.105 Training requirements.

1. An insurer shall provide training to supervisors and employees employed by the insurer who handle or advise on complaints, possible fraud, and investigations no later than June 30, 2027. The training shall include instruction on all of the following:

a. Identifying suspected or attempted exploitation of an eligible adult, including common signs indicating financial exploitation of an eligible adult and how to provide notification regarding the suspected or attempted exploitation of an eligible adult.

b. Privacy and confidentiality requirements.

2. An insurer shall provide the training required under subsection 1 as soon as reasonably practicable after the date a supervisor or employee begins employment with or becomes affiliated or associated with the insurer, but no later than one year after that date.

3. An insurer shall not be required to provide training under this section to a qualified individual employed by the insurer.

4. The commissioner may adopt rules pursuant to chapter 17A specifying the content and method of training required under this section.

Sec. 9. NEW SECTION. 508.106 Records.

An insurer shall provide access to or copies of records that are relevant to the suspected or attempted financial exploitation of an eligible adult to the commissioner and to law enforcement, either as part of a referral to the commissioner or law enforcement, or upon the request of the commissioner or law enforcement pursuant to an investigation. The

records may include historical records as well as records relating to the most recent transactions and disbursement requests from the policies, contracts, or accounts that may indicate financial exploitation of an eligible adult. All records made available to the commissioner or law enforcement pursuant to this section shall be considered confidential public records under chapter 22 and shall not be available for examination by the public pursuant to section 22.2. This section shall not be construed to limit or otherwise impede the authority of the commissioner to access or examine the books and records of insurers as otherwise provided by law.

Sec. 10. CODE EDITOR DIRECTIVE. The Code editor is directed to designate sections 508.1 through 508.39, as amended by this Act, as subchapter I of chapter 508 entitled "General Provisions", and to designate sections 508.101 through 508.106, as enacted by this Act, as subchapter II of chapter 508 entitled "Financial Exploitation of Eligible Adults".

Approved April 9, 2026