



# IOWA HOUSE DEMOCRATS

## BILL & AMENDMENT SUMMARY

### Division of Domestic Stock Insurers HF 2455/SF 2316

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**Status of Bill:** House Floor

**Committee:** Commerce (23-0); Senate (49-0)

**Research Analyst:** Alison Ver Schuer; (515) 281-5939; [Alison.Ver.Schuer@iowa.legis.gov](mailto:Alison.Ver.Schuer@iowa.legis.gov)

**Lead Democrat:** Rep. Forbes

**Floor Manager:** Rep. Pettengill

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### Bill Summary

This bill creates a new section in Iowa Code that defines and regulates the formation and execution of dividing domestic stock insurers. Additionally, HF 2455 establishes the following: (1) procedures to create a plan of division; (2) surviving an insurance division; (3) abandoning a division plan; (4) rights of insurance division plan shareholders, divided insurers, and resulting insurers.

### HF 2455 Amendment Summary

#### H-8173 to HF 2455 (Pettengill)

This amends HF 2455 to conform to the Senate version of the bill (SF 2316).

#### H-8149 to HF 2455 (Staed)

This prohibits insurance companies from doing the following: (1) writing or using any life insurance policy until such copy has been filed and approved by the Iowa Insurance Commissioner; (2) failing to provide to the policy holder a 30 day advanced written notice, by certified mail, describing changes made to the policyholder's universal life insurance premium; and (3) terminating a policyholder's coverage due to failure of paying insurance premium without first providing a 30 day written advanced notice.

#### H-8154 to H-8149 (Staed)

This amendment alters the above restrictions by only requiring life insurance companies to: (1) ) not write or use any life insurance policy until a copy has been filed and approved by the Iowa Insurance Commissioner; and (2) provide a 30 day written advanced notice to policy holders prior to the company terminating the policy holder's universal life policy.

### SF 2316 Amendment Summary

#### H-8164 to SF 2316 (Staed)

This amendment requires life insurance companies to: (1) ) not write or use any life insurance policy until a copy has been filed and approved by the Iowa Insurance Commissioner; and (2) provide a 30 day written advanced notice to policy holders prior to the company terminating the policy holder's universal life policy.

### **H-8372 to SF 2316 (Pettengill)**

This amendment prohibits any insurance company from doing the following: (1) write or use any form of life insurance policy until a copy has been filed and approved by the Iowa Insurance Commissioner; (2) failing to provide a 30 day written advanced notice to policy holders prior to the lapse or termination of the policy holder's universal life policy; and (3) failure to provide the required notice according to the rules adopted by the Iowa Insurance Commissioner.

Additionally, this amendment requires the Insurance Commissioner to develop written notice for insurers to use when advising policyholders of potential alternatives to their life insurance policy's lapse or surrender. Such notice must meet the following requirements: (1) composed in plain language; (2) be developed at no cost to insurers or entities licensed by the Insurance Commissioner; (3) must advise a policyholder of the policyholder's rights pertaining to disposition of his/her policy; (4) must advise of alternatives available to the policyholder depending on the policy's terms or conditions, the insured person's age and health, or other factors; and (5) requires the Commissioner to adopt rules to specifically administer written notice requirements within the bill.

### **H-8397 to SF 2316 (Pettengill)**

This amendment prohibits the use of a W-2 and tax statement from being required as qualification for employee eligibility under this bill. Additionally, sole proprietors, partners in a partnership, and independent contractors would not be required to have a W-2 as a condition of receiving a medical plan as a small employer.