

CHAPTER 47

REJECTION OR NONELECTION OF WORKERS' COMPENSATION COVERAGE

H.F. 259

AN ACT relating to certain persons who are excluded from coverage under the workers' compensation law of this state.

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

Section 1. Section 87.22, Code 2015, is amended to read as follows:

87.22 ~~Corporate officer exclusion~~ Exclusion from workers' compensation or employers' liability coverage — corporate officers, proprietors, limited liability company members, limited liability partners, and partners.

1. The president, vice president, secretary, and treasurer of a corporation other than a family farm corporation, but not to exceed four officers per corporation, may exclude themselves from workers' compensation coverage under chapters 85, 85A, and 85B by knowingly and voluntarily rejecting workers' compensation coverage by signing, and attaching to the workers' compensation or employers' liability policy a written rejection, or if such a policy is not issued, by signing a written rejection which is witnessed by two disinterested individuals who are not, formally or informally, affiliated with the corporation and which is filed by the corporation with the workers' compensation commissioner. The workers' compensation commissioner shall maintain a list of those corporations that have filed a written rejection pursuant to this subsection or a written termination of that rejection pursuant to subsection 5, paragraph "a", and that list shall be a public record open to public inspection.

2. A proprietor, limited liability company member, limited liability partner, or partner who does not elect to be covered by the workers' compensation law of this state pursuant to section 85.1A by purchasing valid workers' compensation insurance specifically including that person, shall file a nonelection of workers' compensation coverage by signing, and attaching to the workers' compensation or employers' liability policy a written nonelection, or if such a policy is not issued, by signing a written nonelection which is witnessed by two disinterested individuals who are not, formally or informally, affiliated with the employer and which is filed by the employer with the workers' compensation commissioner. The workers' compensation commissioner shall maintain a list of those employers that have filed a written nonelection pursuant to this subsection or a written termination of that nonelection pursuant to subsection 5, paragraph "b", and that list shall be a public record open to public inspection.

~~2.~~ 3. a. The written rejection made pursuant to subsection 1, shall be in substantially the following form:

REJECTION OF WORKERS'
COMPENSATION OR EMPLOYERS'
LIABILITY COVERAGE

I understand that by signing this statement I reject the coverage of chapters 85, 85A, and 85B of the Code of Iowa relating to workers' compensation.

I understand that my rejection of the coverage of chapters 85, 85A, and 85B is not a waiver of any rights or remedies available to me or to others on my behalf in a civil action related to personal injuries sustained by me arising out of and in the course of my employment with the corporation.

I also understand that by signing this statement and checking alternative (1) below I reject employers' liability coverage for bodily injuries or death sustained by me arising out of and in the course of my employment with the corporation. [Check either alternative (1) or (2):]

- (1) I reject the employers' liability coverage.
- (2) I decline to reject the employers' liability coverage.

Signed.....
 Corporate Office
 Date
 City, County, State of Residence
 Witness
 Witness

I also understand that the signing of this statement and checking of alternative (1) below by an authorized agent of the corporation rejects for the corporation employers' liability coverage for bodily injuries or death sustained by me arising out of and in the course of my employment with the corporation. [Check either alternative (1) or (2):]

- (1) The corporation rejects the employers' liability coverage.
- (2) The corporation declines to reject the employers' liability coverage.

Signed.....
 Relationship to Corporation
 Date
 City, County, State of Residence
 Witness
 Witness

b. The written nonelection of coverage made pursuant to subsection 2, shall be in substantially the following form:

NONELECTION OF WORKERS'
 COMPENSATION OR EMPLOYERS'
 LIABILITY COVERAGE

I acknowledge that I am a proprietor, limited liability company member, limited liability partner, or partner and that I am not required to be covered by the worker's compensation law of this state pursuant to section 85.1A. I understand that by signing this statement I am not electing the coverage of chapters 85, 85A, and 85B of the Code of Iowa relating to workers' compensation.

I understand that my nonelection of the coverage of chapters 85, 85A, and 85B is not a waiver of any rights or remedies available to me or to others on my behalf in a civil action related to personal injuries sustained by me arising out of and in the course of my employment with the employer.

I also understand that by signing this statement and checking alternative (1) below I am not electing employers' liability coverage for bodily injuries or death sustained by me arising out of and in the course of my employment with the employer. [Check either alternative (1) or (2):]

- (1) I am not electing the employer's liability coverage.
- (2) I am electing the employer's liability coverage by purchasing valid workers' compensation insurance specifically including me.

Signed.....
Employer's Office
Date
City, County, State of Residence
Witness
Witness

I also understand that the signing of this statement and checking of alternative (1) below by an authorized agent of the employer is a nonelection for the employer of the employers' liability coverage for bodily injuries or death sustained by me arising out of and in the course of my employment with the employer. [Check either alternative (1) or (2):]

(1) The employer does not elect the employer’s liability coverage.

(2) The employer elects the employer’s liability coverage by purchasing valid workers’ compensation insurance specifically including me.

Signed

Relationship to Employer

Date

City, County, State of Residence

Witness

Witness

3. 4. The rejection or nonelection of workers’ compensation coverage is not enforceable if it is required as a condition of employment.

4. 5. a. A corporate officer who signs a written rejection filed with the workers’ compensation commissioner pursuant to subsection 1 may terminate the rejection by signing a written notice of termination which is witnessed by two disinterested individuals, who are not, formally or informally, affiliated with the corporation and which is filed by the corporation with the workers’ compensation commissioner. Following the filing of a notice of termination pursuant to this paragraph, the status of the person signing the notice of termination shall be the same as if the rejection of coverage had not been made, except that the notice of termination shall not be effective as to any injury sustained or disease incurred less than one week after the notice is filed.

b. A proprietor, limited liability company member, limited liability partner, or partner who signs a written nonelection with the workers’ compensation commissioner pursuant to subsection 2 may terminate the nonelection by signing a written notice of termination which is witnessed by two disinterested individuals, who are not, formally or informally, affiliated with the employer and which is filed by the employer with the workers’ compensation commissioner. Following the filing of a notice of termination pursuant to this paragraph, the status of the person signing the notice of termination shall be the same as if the nonelection of coverage had not been made and the person may elect to be covered by the workers’ compensation law of this state by purchasing valid workers’ compensation insurance specifically including that person as provided in section 85.1A, except that the election of coverage shall not be effective as to any injury sustained or disease incurred less than one week after the notice is filed.

Approved April 17, 2015