

3 (1 to 16) inclusive, be and are hereby legalized and declared to be  
 4 of the same force and effect as if all steps required by law had been  
 5 taken and all things required by law had been performed in connec-  
 6 tion with the passing, recording, certifying and publishing of said  
 7 ordinances and each of them, and the action of the town council of  
 8 said town in connection with the passing, recording, certifying and  
 9 publishing said ordinances and of the mayor and clerk in connection  
 10 with the signing, recording, certifying and publishing of said or-  
 11 dinances are hereby legalized and declared to be valid in all respects.

1 SEC. 2. Pending litigation. This act shall not affect pending  
 2 litigation.

1 SEC. 3. Publication clause. This act being deemed of immediate  
 2 importance shall be in full force and effect after its publication in the  
 3 Northwood Anchor, a newspaper published and printed in Northwood,  
 4 Worth county, Iowa, and in the Des Moines News, a newspaper pub-  
 5 lished at Des Moines, Iowa, all without expense to the state.

Approved April 7, A. D. 1917.

I hereby certify that the foregoing act was published in the Des Moines News April  
 13, 1917, and in the Northwood Anchor April 18, 1917.

W. S. ALLEN, *Secretary of State.*

## CHAPTER 180.

### OF RECIPROCAL OR INTER-INSURANCE CONTRACTS.

S. F. 248.

AN ACT authorizing and regulating the exchange of reciprocal or inter-insurance con-  
 tracts among individuals, partnerships and corporations; empowering corporations  
 to enter into such contracts; regulating process in suits on such contracts; providing  
 for fees, taxes and licenses; and providing penalties.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Reciprocal insurance contracts. Individuals, partner-  
 2 ships and corporations, including independent school districts and  
 3 municipal corporations, of this state, hereby designated subscribers,  
 4 are hereby authorized to exchange reciprocal or inter-insurance con-  
 5 tracts with each other, and with individuals, partnerships and cor-  
 6 porations of other states, territories, districts and countries, provid-  
 7 ing insurance among themselves from any loss which may be insured  
 8 against under the law, except life insurance,

SEC. 2. Execution of contract—place of business of attorney.  
 1 Such contracts may be executed by an attorney, agent or other repre-  
 2 sentative herein designated attorney, duly authorized and acting for  
 3 such subscribers under powers of attorney, and such attorney may be  
 4 a corporation. The principal office of such attorney shall be main-  
 5 tained at such place as is designated by the subscribers in the power  
 6 of attorney; provided that, where the principal office of such attorney  
 7 is located in another state, the commissioner of insurance shall not  
 8 issue a certificate of authority, or license, as provided in this act unless  
 9 such attorney shall hold a license or certificate of authority from the  
 10 insurance department of such other state.

1     **SEC. 3. Preliminary showing.** Such subscribers so contracting  
2 among themselves, shall, through their attorney, file with the com-  
3 missioner of insurance a declaration verified by the oath of such at-  
4 torney, or, where such attorney is a corporation, by the oath of the  
5 duly authorized officers thereof, setting forth:

6     (a) The name of the attorney and the name or designation under  
7 which such contracts are issued, which name or designation shall not  
8 be so similar to any name or designation adopted by any attorney  
9 or by any insurance organization in the United States prior to the  
10 adoption of such name or designation by the attorney, as to confuse  
11 or deceive.

12     (b) The location of the principal office.

13     (c) The kind or kinds of insurance to be effected.

14     (d) A copy of each form of policy, contract or agreement under  
15 or by which insurance is to be effected.

16     (e) A copy of the form of power of attorney under which such  
17 insurance is to be effected.

18     (f) That applications have been made for indemnity or insurance  
19 upon at least one hundred separate risks aggregating not less than  
20 one and one-half million dollars represented by executed contracts or  
21 bona fide applications to become concurrently effective; or, in case  
22 of employers' liability or workmen's compensation insurance, covering  
23 a total payroll of not less than two and one-half million dollars.

24     (g) That there is in the possession of such attorney and available  
25 for the payment of losses, assets amounting to not less than fifty  
26 thousand dollars, and, in case of employers' liability or workmen's  
27 compensation insurance, that such assets shall amount to not less  
28 than one hundred thousand dollars.

29     (h) A financial statement under oath in form prescribed for the  
30 annual statement.

31     (i) The instrument authorizing service of process as provided  
32 for in this act.

33     (j) Certificate showing deposit of funds.

1     **SEC. 4. Actions—venue—service of process—judgment.** Con-  
2 currently with the filing of the declaration provided for by the terms  
3 of section 3 of this act, the attorney shall file with the commissioner  
4 of insurance an instrument in writing executed by him for said sub-  
5 scribers, conditioned that, upon the issuance of certificate of author-  
6 ity provided for in this act, action may be brought in the county in  
7 which the property or person insured thereunder is located, and that  
8 service of process may be had upon the commissioner of insurance  
9 in all suits in this state arising out of such policies, contracts or  
10 agreements, which service shall be valid and binding upon all sub-  
11 scribers exchanging at any time reciprocal or inter-insurance con-  
12 tracts through such attorney. Three copies of such process shall be  
13 served and the commissioner of insurance shall file one copy, forward  
14 one copy to said attorney, and return one copy with his admission of  
15 service. A judgment rendered in any such case where service of  
16 process has been so had upon the commissioner of insurance, shall be  
17 valid and binding against any and all such subscribers as their in-  
18 terests appear and such judgment may be satisfied out of the funds  
19 in the possession of the attorney belonging to such subscribers.

1     **SEC. 5. Reports—limitations on risks.** There shall be filed with  
2 the commissioner of insurance by such attorney whenever the commis-  
3 sioner of insurance shall so require, a statement under oath of such  
4 attorney showing the maximum amount of indemnity upon a single  
5 risk, and, except as to workmen's compensation insurance, no sub-  
6 scriber shall assume on any single risk an amount greater than ten  
7 per cent of the net worth of such subscriber.

1     **SEC. 6. Standard of solvency.** There shall at all times be main-  
2 tained as assets a sum in cash, or in securities of the kind designated  
3 by the laws of the state where the principal office is located for the  
4 investment of funds of insurance companies, equal to one hundred  
5 per cent of the net unearned premiums or deposits collected and  
6 credited to the accounts of subscribers, or assets equal to fifty per  
7 cent of the net annual deposits collected and credited to the accounts  
8 of subscribers on policies having one year or less to run and pro rata  
9 on those for longer periods; in addition to which there shall be main-  
10 tained in cash, or in such securities, assets sufficient to discharge all  
11 liabilities on all outstanding losses arising under policies issued, the  
12 same to be calculated in accordance with the laws of the state relating  
13 to similar reserves for companies insuring similar risks. Provided  
14 that, where the assets on hand available for the payment of losses  
15 other than determined losses, shall not equal two hundred thousand  
16 dollars, all liability for each determined loss or claim deferred for  
17 more than one year, shall be provided for by a special deposit in a  
18 trust company of the state in which the principal office is located, to  
19 be used in payment of compensation benefits for disability; such  
20 deposit to be a trust fund and applicable only to the purposes stated,  
21 or such liability may be reinsured in authorized companies with a  
22 surplus of at least two hundred thousand dollars. For the purpose  
23 of said reserves, net deposits shall be construed to mean the ad-  
24 vance payments of subscribers after deducting therefrom the amount  
25 specifically provided in the subscribers' agreements for expenses. If  
26 at any time the assets so held in cash or such securities shall be less  
27 than required above, or less than one hundred thousand dollars as  
28 to employers' liability or workmen's compensation insurance, or less  
29 than fifty thousand dollars as to other classes of insurance, the sub-  
30 scribers or their attorney for them shall make up the deficiency within  
31 thirty days after notice from the commissioner of insurance so to do.  
32 In computing the assets required by this section, the amount specified  
33 in sub-division (g) section 3 shall be included.

1     **SEC. 7. Annual financial report—examination by commissioner.**  
2 Such attorney shall, within the time limited for filing the annual  
3 statement by insurance companies transacting the same kind of busi-  
4 ness, make a report, under oath, to the commissioner of insurance  
5 for each calendar year, showing the financial condition of affairs at  
6 the office where such contracts are issued and shall, at any and all  
7 times, furnish such additional information and reports as may be  
8 required. Provided, however, that the attorney shall not be required  
9 to furnish the name and addresses of any subscribers except in case  
10 of an unpaid final judgment. The business affairs, records and assets  
11 of any such organization shall be subject to examination by the com-  
12 missioner of insurance at any reasonable time, and such examination  
   shall be at the expense of the organization examined.

1     **SEC. 8. Powers extended to all corporations.** Any corporation  
2 now or hereafter organized under the laws of this state shall, in ad-  
3 dition to the rights, powers and franchises specified in its articles  
4 of incorporation, have full power and authority to exchange insurance  
5 contracts of the kind and character herein mentioned. The right to  
6 exchange such contracts is hereby declared to be incidental to the  
7 purposes for which such corporations are organized and as fully  
8 granted as the rights and powers expressly conferred.

1     **SEC. 9. Certificate of authority.** Upon compliance with the re-  
2 quirements of this act, the commissioner of insurance shall issue a  
3 certificate of authority or a license to the attorney, authorizing him  
4 to make such contracts of insurance, which license shall specify the  
5 kind or kinds of insurance and shall contain the name of the attorney,  
6 the location of the principal office and the name or designation under  
7 which such contracts of insurance are issued. Such license shall be  
8 renewed annually upon a showing that the standard of solvency re-  
9 quired herein has been maintained and that all fees and taxes required  
10 have been paid.

1     **SEC. 10. Violations—penalty.** Any attorney who shall exchange  
2 any contracts of insurance of the kind and character specified in this  
3 act, or any attorney or representative of such attorney, who shall  
4 solicit or negotiate any applications for the same without the attorney  
5 having first complied with the foregoing provisions, shall be deemed  
6 guilty of a misdemeanor and, upon conviction, shall be subject to a  
7 fine of not less than one hundred dollars nor more than five hundred  
8 dollars. For the purpose of organization and upon issuance of permit  
9 by the commissioner of insurance, powers of attorney and applications  
10 for such contracts may be solicited without compliance with the pro-  
11 visions of this act, but no attorney, agent or other person shall make  
12 any such contracts of indemnity until all of the provisions of this  
13 act shall have been complied with.

1     **SEC. 11. Refusal or revocation of certificate.** In addition to the  
2 foregoing penalties and where not otherwise provided, the penalty  
3 for failure or refusal to comply with any of the terms and provisions  
4 of this act, upon the part of the attorney, shall be the refusal, sus-  
5 pension or revocation of certificate of authority or license by the com-  
6 missioner of insurance and the public announcement of his act, after  
7 due notice and opportunity for hearing has been given such attorney  
8 so that he may appear and show cause why such action should not  
9 be taken.

1     **SEC. 12. Attorney to give bond—amount.** Where the principal  
2 office of the attorney in fact is located in this state, he shall give  
3 bond to the subscribers in such sum as the advisory committee of the  
4 exchange shall deem sufficient, not less, however, than in the sum of  
5 ten thousand dollars, which bond, after being approved by the  
6 advisory committee and by the commissioner of insurance, shall be  
7 deposited with the commissioner of insurance as security for the  
8 faithful performance of the duties of the attorney in handling the  
9 funds of the subscribers. Should the commissioner of insurance con-  
10 sider the surety on said bond, or the amount thereof, insufficient, he  
11 may require additional security or an increase in the amount of the

12 bond. If such additional security or increase be not furnished within  
 13 thirty days after notice to furnish the same, the commissioner of  
 14 insurance may revoke the certificate of authority. Where the prin-  
 15 cipal office of the attorney is located in another state, there shall be  
 16 filed with the commissioner of insurance, in connection with the  
 17 declaration, provided for by section 3 hereof, certified copies of all  
 18 such bonds given by such attorney as security for the funds of  
 19 subscribers.

1     **SEC. 13. Fees in lieu of taxes.** In lieu of all other taxes, li-  
 2 censes, charges and fees whatsoever, such attorney shall pay annu-  
 3 ally on account of the transaction of such business in this state, the  
 4 same fees as are paid by mutual companies transacting the same kind  
 5 of business, and an annual tax of two and one half per cent upon  
 6 the gross premiums or deposits collected from subscribers in this  
 7 state during the preceding calendar year, after deducting therefrom  
 8 returns, or cancellations, considerations for reinsurances, and all  
 9 amounts returned to subscribers or credited to their accounts as  
 10 savings.

1     **SEC. 14. Form of contract.** The attorney may insert in any  
 2 form of policy prescribed by the laws of this state any provisions or  
 3 conditions required by the plan of reciprocal or inter-insurance, pro-  
 4 vided the same shall not be inconsistent with or in conflict with any  
 5 law of this state. Such policy, in lieu of conforming to the language  
 6 and form prescribed by such law, shall be held to conform thereto in  
 7 substance if such policy includes a provision or endorsement reciting  
 8 that the policy shall be construed as if in the language and form pre-  
 9 scribed by such law. Any such policy or endorsement shall first be  
 10 filed with and approved by the commissioner of insurance.

1     **SEC. 15. Reinsurance.** Such attorney shall not effect any re-  
 2 insurance on risks in this state unless the insurance carrier granting  
 3 such reinsurance shall be licensed in this state.

1     **SEC. 16. Laws applicable.** Except as herein provided, the mak-  
 2 ing of contracts as herein provided for and such other matters as are  
 3 properly incident thereto, shall not be subject to the laws of this state  
 4 relating to insurance unless they are therein specifically mentioned.

Approved April 7, A. D. 1917.

## CHAPTER 181.

### OF JUVENILE PLAYGROUNDS.

H. F. 215.

AN ACT to amend the law as it appears in sections eight hundred seventy-nine-r (879-r) and eight hundred seventy-nine-v (879-v) supplemental supplement to the code, 1915, relating to the establishment and maintenance of juvenile playgrounds.

*Be it enacted by the General Assembly of the State of Iowa:*

1     **SECTION 1. Election—form of proposition.** That the law as it  
 2 appears in section eight hundred seventy-nine-r (879-r), supplemental