

CHAPTER 216

INSURANCE COMPANIES OTHER THAN LIFE

H. F. 510

AN ACT to require insurance associations organized and operating under chapter four hundred six (406) of the code of Iowa, 1935, to maintain a reserve for unearned premiums, but excepting county mutuals and associations operating on a post loss basis and not charging advance assessments.

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

1 SECTION 1. Every association organized and operating under the
2 provisions of chapter four hundred six (406) of title XX of the code
3 of Iowa, 1935, except county mutual assessment associations, re-in-
4 surance associations for county mutual associations, and associations
5 operating on a post loss basis and not charging any advance assess-
6 ments or premiums, shall hold as reserve for unearned premiums or
7 assessments an amount equal to at least forty per cent (40%) of the
8 aggregate gross premiums or assessments in force, on all policies or
9 contracts running one year or less, less deductions for re-insurance
10 in force in authorized companies or associations. On all policies or
11 contracts running more than one year, there shall be maintained such
12 a reserve in an amount equal to at least forty per cent (40%) of the
13 amount of the aggregate gross premiums in force for any current year
14 and one hundred per cent (100%) of the amount of the aggregate
15 gross premiums in force for each succeeding year of said terms, less
16 deductions for reinsurance in authorized companies or associations.

1 SEC. 2. Every association heretofore organized and operating, and
2 to which the provisions of section one hereof apply, shall not be re-
3 quired to maintain the unearned premium reserve required in said
4 section until December 31, 1940. However, such associations must
5 have established by December 31, 1937, a reserve equal to at least one-
6 fourth of the reserve required by section one hereof; by December
7 31, 1938, at least one-half of such reserve and by December 31, 1939,
8 at least three-fourths of such reserve.

1 SEC. 3. That all acts or parts of acts in conflict with the provisions
2 of this act are hereby repealed.

House File 510. Approved May 1, 1937.

CHAPTER 217

LIFE, HEALTH AND ACCIDENT INSURANCE COMPANIES

S. F. 137

AN ACT to prohibit certain life, health, and accident insurance companies or associations which issue contracts, the performance of which is contingent upon the payment of assessments of calls made upon their members, from doing business within this state.

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

1 SECTION 1. **Assessment associations prohibited.** No life, health,
2 or accident insurance company or association, other than fraternal
3 beneficiary associations, which issues contracts, the performance of

4 which is contingent upon the payment of assessments of call made upon
 5 its members, shall do business within this state except such companies
 6 or associations as are now authorized to do business within this state
 7 and which, if a life insurance company or association, shall value their
 8 assessment policies or certificates of membership as yearly renewable
 9 term policies according to the standard of valuation of life insurance
 10 policies prescribed by the laws of this state.

1 SEC. 2. This act being deemed of immediate importance shall be
 2 in full force and effect from and after its publication in the Altoona
 3 Herald a newspaper published at Altoona, Iowa, and the O'Brien
 4 County Bell, a newspaper published at Primghar, Iowa.

Senate File 137. Approved May 1, 1937.

I hereby certify that the foregoing act was published in the Altoona Herald, May 20,
 1937, and the O'Brien County Bell, May 19, 1937.

ROBERT E. O'BRIAN, *Secretary of State.*

CHAPTER 218

BANKS AND TRUST COMPANIES

H. F. 484

AN ACT to amend chapter four hundred fifteen (415), code, 1935, and providing for the method and manner of handling and terminating trusts created as a part of the plan of reorganization of state banks, savings banks and trust companies, and providing the manner and method of liquidation and distribution of the assets, the appointment of the superintendent of banking as receiver, the designation of the attorney general or assistants as attorney for the superintendent of banking in the liquidation and distribution; providing the method and manner of filing claims against the state sinking fund for public deposits; providing rules of construction, and providing that insofar as the provisions of this act shall conflict with any other act or parts thereof the provisions of this act shall govern.

WHEREAS, many state banks, savings banks and trust companies have reorganized in this state pursuant to law and many of such reorganizations provide for the creation of a trust fund made up of segregated assets, to be administered by trustees, whose work as trustees should also be carried on subject to the approval of the local court thereof, and

WHEREAS, in the future, some of these trustees may refuse or neglect to administer the trust to the best interests of the certificate holders and it may be impossible to secure successor trustees to properly administer the trusts, and

WHEREAS, in such event, the certificate holders would be seriously prejudiced in that there would not be the dividends payable to them from the trust in the manner intended, and

WHEREAS, the superintendent of banking is charged under the law with the general control, supervision and direction of all banks and trust companies incorporated under the laws of Iowa, and

WHEREAS, in such event, the superintendent of banking should proceed to protect the interests of certificate holders and to liquidate the assets and make distribution, therefore,

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

1 SECTION 1. That chapter four hundred fifteen (415), code, 1935,
 2 be and the same is hereby amended by adding thereto the following: