

CHAPTER 258.

INSURANCE RISKS

S. F. 370

AN ACT to amend section five hundred fifteen point forty-eight (515.48), code 1946, to provide additional kinds of insurance which may be written in the state of Iowa, and relating to the classification thereof.

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

- 1 SECTION 1. Section five hundred fifteen point forty-eight (515.48),
 2 Code 1946, is hereby amended by striking all of subsections one (1),
 3 two (2) and three (3) and substituting therefor the following:
 4 1. Insure dwelling houses, stores and all kinds of buildings and
 5 household furniture, and other property against direct or indirect
 6 or consequential loss or damage, including loss of use or occupancy
 7 and the depreciation of property lost or damaged by fire, smoke,
 8 smudge, lightning and other electrical disturbances, collision, falls,
 9 wind, tornado, cyclone, volcanic eruptions, earthquake, hail, frost,
 10 snow, sleet, ice, weather or climatic conditions, including excess or
 11 deficiency of moisture, flood, rain, or draught,* rising of the waters
 12 of the ocean or its tributaries, bombardment, invasion, insurrection,
 13 riot, strikes, labor disturbances, sabotage, civil war or commotion,
 14 military or usurped power, any order of a civil authority made to
 15 prevent the spread of a conflagration, epidemic or castastrophe,
 16 vandalism or malicious mischief, and by explosion whether fire
 17 ensues or not, except explosion on risks specified in subsection six
 18 (6) of this section, provided, however, that there may be insured here-
 19 under the following:
 20 (a) Explosion of pressure vessels (not including steam boilers of
 21 more than fifteen pounds' pressure) in buildings designed and used
 22 solely for residential purposes by not more than four families;
 23 (b) Explosion of any kind originating outside of the insured
 24 building or outside of the building containing the property insured;
 25 and
 26 (c) Explosion of pressure vessels which do not contain steam or
 27 which are not operated with steam coils or steam jackets; and also
 28 against loss or damage by insects or disease to farm crops or products,
 29 and loss of rental value of land used in producing such crops or
 30 products; and against accidental injury to sprinklers, pumps, water
 31 pipes, elevator tanks and cylinders, steam pipes and radiators,
 32 plumbing and its fixtures, ventilating, refrigerating, heating, lighting
 33 or cooking apparatus, or their connections, or conduits or containers
 34 of any gas, fluid or other substance; and against loss or damage to
 35 property of the insured caused by the breakage or leakage thereof;
 36 or by water, hail, rain, sleet or snow seeping or entering through
 37 water pipes, leaks or openings in buildings; and against loss of
 38 and damage to glass, including lettering and ornamentation thereon,
 39 and against loss or damage caused by the breakage of glass; and
 40 against loss or damage caused by railroad equipment, motor vehicles,
 41 airplanes, seaplanes, dirigibles or other aircraft.
 42 Loss by depreciation as herein referred to may include the cost

*According to enrolled act.

43 of repair and replacement and, upon written application of the
 44 insured, the actual cash value of the property insured, as referred
 45 to in the provisions of this chapter relating to coinsurance, may be
 46 held to include the value of depreciation or replacement and repairs
 47 of the property insured.

48 2. Insure the fidelity of persons holding places of private or public
 49 trust, or execute any bond or other obligation whenever the perform-
 50 ance or refraining from any contract, act, duty or obligation is required
 51 or permitted by law to be made, given, or filed, including all bonds
 52 in criminal causes, and insure the maker, drawer, drawee, or indorser
 53 of checks, drafts, bills of exchange, or other commercial paper against
 54 loss by reason of any alteration of such instruments.

55 3. Insure the safe-keeping of books, papers, moneys, stocks, bonds
 56 and all kinds of personal property from loss, damage or destruction
 57 from any cause, and receive them on deposit.

1 SEC. 2. Section five hundred fifteen point forty-eight (515.48),
 2 Code 1946, is further amended by striking therefrom subsections
 3 five a (5.a.), five b (5.b.) and five c (5.c.) and substituting therefor the
 4 following:

5 5. a. Insure any person, his family or dependents, against bodily
 6 injury or death by accident, or against disability on account of sick-
 7 ness, or accident, including the granting of hospital, medical, surgical
 8 and sick care benefits.

9 b. Insure against legal liability, and against loss, damage, or
 10 expense incident to a claim of such liability, arising out of the death
 11 or injury of any person, or arising out of injury to the economic
 12 interests of any person as the result of error or negligence in rendering
 13 expert, fiduciary or professional service.

14 c. Insure against loss or damage to property caused by the accidental
 15 discharge or leakage of water from automatic sprinkler system and
 16 against loss or damage by water or other fluid or substance to any
 17 property resulting from the breakage or leakage of other apparatus
 18 or of water pipes or other conduits or containers or resulting from
 19 casual water entering into cracks or openings in buildings or by
 20 seepage through building walls, but not including loss or damage
 21 resulting from flood; and including insurance against accidental
 22 injury of such sprinklers, pumps, apparatus, conduits or containers.

23 Further amend section five hundred fifteen point forty-eight
 24 (515.48), Code 1946, by adding after paragraph "e" of subsection
 25 five (5) the following new paragraph:

26 "f. Insure against loss of or damage to any property of the insured
 27 resulting from collision of any object with such property."

1 SEC. 3. Section five hundred fifteen point forty-eight (515.48),
 2 Code 1946, is further amended by striking therefrom all of subsection
 3 five d (5.d.) and substituting therefor the following:

4 d. Insure against loss in consequence of accidents or casualties of
 5 any kind to employees, including workmen's compensation, or to
 6 persons or property resulting from any act of an employee, or any
 7 accident or casualty to person or property, or both, occurring in or
 8 connected with the transaction of insured's business, or from the
 9 operation of any machinery connected therewith; or to persons or
 10 property for which loss the insured is legally liable including an

11 obligation of the insurer to pay medical, hospital, surgical, funeral or
12 other benefits irrespective of legal liability of insured.

1 SEC. 4. Section five hundred fifteen point forty-eight (515.48),
2 Code 1946, is further amended by striking therefrom subsections six
3 (6) and nine (9) and substituting therefor the following:

4 6. Insure against loss or injury to person or property, or both, and
5 against loss of rents or use of buildings, and other property growing
6 out of explosion or rupture of boilers, pipes, fly wheels, engines,
7 pressure containers, machinery, and similar apparatus of any kind
8 including equipment used for creating, transmitting, or applying
9 power, light, heat, steam, air conditioning or refrigeration.

10 9. Insure vessels, boats, cargoes, goods, merchandise, freights,
11 specie, bullion, jewelry, jewels, profits, commissions, bank notes, bills
12 of exchange, and other evidence of debt, bottomry, and respondentia
13 interest and every insurance appertaining to or connected with any
14 or all risks or perils of navigation, transit, or transportation, including
15 war risks, on or under any seas or other waters, on land or in the air,
16 or while being assembled, packed, crated, baled, compressed or similarly
17 prepared for shipment or while awaiting the same or during any
18 delays, storage, trans-shipment, or re-shipment, incident thereto,
19 including marine builder's risks; and for loss or damage for which
20 the insured is legally liable to persons or property in connection with
21 or appertaining to marine, inland marine, transit, or transportation
22 insurance, including liability for loss of or damage arising out of
23 or in connection with the construction, repair, maintenance, storage
24 or use of the subject matter of such insurance; and insure against
25 loss or damage to silverware, musical instruments, furs, garments,
26 fine arts, precious stones, jewels, jewelry, gold, silver, and other
27 precious metals or valuable items whether used in business, transporta-
28 tion, trade or otherwise; and insure automobiles, airplanes, seaplanes,
29 dirigibles or other aircraft, whether stationary or being operated
30 under their own power, which include all or any of the hazards of
31 fire, explosion, transportation, collision, loss by legal liability for
32 damage to property resulting from the maintenance and use of auto-
33 mobiles, airplanes, seaplanes, dirigibles, or other aircraft, and loss by
34 burglary or theft, vandalism, malicious mischief, or the wrongful
35 conversion, disposal or concealment of automobiles whether held under
36 conditional sale, contract, or subject to chattel mortgage, or any one
37 or more of such hazards, including insurance against loss by reason
38 of bodily injury to the person including medical, hospital and surgical
39 expense irrespective of legal liability of insured.

1 SEC. 5. Section five hundred fifteen point forty-eight (515.48),
2 Code 1946, is further amended by adding at the end thereof the
3 following:

4 10. Insure any additional risk not specifically included within any
5 of the foregoing classes, which is a proper subject for insurance,
6 is not prohibited by law or contrary to sound public policy, and which,
7 after public notice and hearing, is specifically approved by the com-
8 missioner of insurance, except title insurance or insurance against
9 loss or damage by reason of defective title, encumbrances or otherwise.
10 When such additional kind of insurance is approved by the com-
11 missioner, he shall designate within which classification of risks

12 provided for in section five hundred fifteen point forty-nine (515.49),
 13 Code 1946, it shall fall.

Approved May 1, 1947.

CHAPTER 259

CASUALTY INSURANCE RATES

S. F. 179

AN ACT relating to the regulation of rates for certain casualty insurance including fidelity, surety and guaranty bonds and for all other forms of motor vehicle insurance, and to rating organizations.

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

1 **SECTION 1. Purpose of Act.** The purpose of this Act is to promote
 2 the public welfare by regulating insurance rates to the end that they
 3 shall not be excessive, inadequate or unfairly discriminatory, and
 4 to authorize and regulate co-operative action among insurers in
 5 rate making and in other matters within the scope of this Act. Nothing
 6 in this Act is intended (1) to prohibit or discourage reasonable
 7 competition, or (2) to prohibit, or encourage except to the extent necessary
 8 to accomplish the aforementioned purpose, uniformity in insurance rates,
 9 rating systems, rating plans or practices. This Act shall
 10 be liberally interpreted to carry into effect the provisions of this
 11 section.

1 **SEC. 2. Scope of Act.** This Act applies to casualty insurance,
 2 including fidelity, surety and guaranty bonds, and to all other forms
 3 of motor vehicle insurance, on risks or operations in this state,
 4 written by stock and mutual companies and reciprocal and inter-
 5 insurance exchanges, except:

6 (a) reinsurance, other than joint reinsurance to the extent stated
 7 in section eleven (11);

8 (b) accident and health insurance;
 9 (c) insurance against loss of or damage to aircraft or against
 10 liability, other than workmen's compensation and employers' liability,
 11 arising out of the ownership, maintenance or use of aircraft;

12 (d) insurance written by a county mutual assessment association
 13 as provided in chapter five hundred eighteen (518), Code 1946.

14 If any kind of insurance, subdivision or combination thereof, or
 15 type of coverage, subject to this Act, is also subject to regulation
 16 by another rate regulatory act of this state, an insurer to which both
 17 acts are otherwise applicable shall file with the commissioner of
 18 insurance, hereinafter referred to as "commissioner", a designation
 19 as to which rate regulatory act shall be applicable to it with respect
 20 to such kind of insurance, subdivision or combination thereof, or
 21 type of coverage.

1 **SEC. 3. Making of rates.** (a) All rates shall be made in accordance
 2 with the following provisions:

3 1. Due consideration shall be given to past and prospective loss
 4 experience within and outside this state, to catastrophe hazards, if