

[In a recent Supreme Court opinion (Schmid v. Automobile Underwriters, Inc., 215 Iowa, 170) attention is called to the fact that policies of insurance which are usually referred to as automobile insurance, inure to the benefit of an injured party who has obtained a judgment against the insured, only when the policy is issued under section 8940, Code, 1931. In other words, like policies issued under chapter 406 by mutual associations, and like policies issued by reciprocal or interinsurance concerns do not inure to the benefit of an injured party. It would seem that this is a clear oversight on the part of the legislature. This bill condenses like subject matters into one short paragraph and makes the inurement applicable to all such policies whether issued by stock companies, mutual companies, or by reciprocal organizations. This bill repeals the old provisions in order to prevent a duplication. This bill is in substantially the form in which it passed the House in the regular session of the 45th G. A. It was lost in the Senate Sifting Committee.]

A BILL FOR

An Act to amend section eighty-nine hundred forty (8940), Code, 1931, by striking out certain provisions relating to the inurement of policies of insurance to the benefit of one who has obtained a judgment against the insured, to repeal section nine thousand seventy-one (9071) of said code, and to enact a substitute for such stricken and repealed provisions, and to provide the time in which an action to enforce such inurement may be brought.

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

1 Section 1. Inurement of policy. All policies insuring the
2 legal liability of the insured, issued in this state by any
3 company, association, or reciprocal exchange doing business under
4 and by virtue of any chapter of the code shall contain a provision
5 providing that, in event an execution on a judgment against the
6 insured be returned unsatisfied in an action by a person who is
7 injured or whose property is damaged, the judgment creditor shall
8 have a right of action against the insurer to the same extent that
9 such insured could have enforced his claim against such insurer
10 had such insured paid such judgment.

1 Sec. 2. Settlement. No settlement between said insurer and

2 insured, after loss, shall bar said action unless consented to by
3 said judgment plaintiff.

1 Sec. 3. Limitation on action. Said action may be brought
2 against said insurer within one hundred eighty (180) days from
3 the entry of judgment in case no appeal is taken, and, in case of
4 appeal, within one hundred eighty (180) days after the judgment
5 is finally affirmed on appeal, anything in the policy or statutes
6 to the contrary notwithstanding.

1 Sec. 4. Paragraph five (5) of section eighty-nine hundred
2 forty (8940), Code, 1931, is amended as follows:

3 1. By striking from sub-paragraph "b" of said paragraph five
4 (5), lines ten (10) to fifteen (15), inclusive.

5 2. By striking from sub-paragraph "e" of said paragraph five
6 (5) all parts of said sub-paragraph following the word "mortgages"
7 in line seventeen (17) of said sub-paragraph.

8 3. By striking from paragraph nine (9) of said section, all
9 parts of said paragraph following the word "person" in line
10 twenty-two (22) of said paragraph.

1 Sec. 5. Section nine thousand seventy-one (9071), Code,
2 1931, is hereby repealed.