

January 30, 1959.
Insurance.

House File 210
By FREED, CURRIE,
BAUMHOVER and LUCKEN.

Passed House, Date 3-13-59 Passed Senate, Date 4-14-59
Vote: Ayes 83 Nays 0 Vote: Ayes 41 Nays 0
Approved 4-23-59

A BILL FOR

An Act relating to the cancellation of insurance policies.

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

1 Section 1. Section five hundred fifteen point eighty-one
2 (515.81), Code 1958, is hereby amended by striking from lines
3 twenty-one (21) and twenty-two (22) the words "giving five days
4 notice of such cancellation, in which event" and inserting in
5 lieu thereof the words "service of notice in writing upon
6 the insured which notice shall fix the date of cancellation
7 which shall be not less than five (5) days after service of
8 such notice. Such service of notice may be made in person,
9 or by mailing such notice to the insured at his post office
10 address notice of which the insured shall have given to the
11 company in writing. A post office department receipt of certified
12 or registered mailing shall be deemed proof of receipt of
13 such notice. When cancelled by the insurer, ."

1 Sec. 2. Section five hundred eighteen point twenty-nine
2 (518.29), Code 1958, is hereby amended by striking from lines
3 three (3) four (4) five (5) the words "the association giving
4 five days written notice thereof to the insured." and inserting
5 in lieu thereof the words "service of notice in writing upon
6 the insured which notice shall fix the date of such cancellation
7 which shall be not less than five days after service of such

8 notice. Such service of notice may be made in person, or by
 9 mailing such notice to the insured at his post office address
 10 as given in or upon the policy, or to such other address notice
 11 of which the insured shall have given to the company in writing.
 12 A post office department receipt of certified or registered
 13 mailing shall be deemed proof of receipt of such notice."

EXPLANATION OF HOUSE FILE 210

All fire and casualty insurers, including county mutual insurance associations, have had difficulty on occasion in securing an effective cancellation of an undesirable risk.

This was made more difficult last year by a court interpretation of Code sections 515.81 and 518.29. Under this ruling an insurer has an almost impossible burden of proving that a notice of cancellation, although duly mailed to a policyholder, was received by him.

The proposed amendment provides the manner of cancelling and proving cancellation by the insurer and protects the policyholder by requiring the insurer to take note of any change of address which the policyholder gives to it in writing. The amendment tends to conform section 515.81 with section 515.80, which has been in force for many years.

- 1 Amend House File 210 as follows:
- 2 By inserting between lines nine (9) and ten (10) of
- 2 section one (1) the following line:
- 4 "address as given in or upon the policy, or to such
- 5 other."

adopted
6/3/3

Filed
February 4, 1959.

FREED of Webster.

- 1 Amend House File 210, section two (2), by adding thereto the
- 2 following:
- 3 "The provisions of this section shall be applicable to the
- 4 cancellation of reciprocal or interinsurance contracts and
- 5 policies issued pursuant to chapter five hundred twenty (520)."

adopted
3/13

Filed
February 4, 1959.

FREED of Webster.