

February 27, 1959.
Passed on File.

House File 631
By MILROY.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act relating to deposits required to be made with the
commissioner of insurance by alien insurers.

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

1 Section 1. Section five hundred fifteen point seventy-one
2 (515.71), Code 1958, is hereby amended by striking the period (.)
3 at the end of the second paragraph thereof and substituting the
4 following:
5 “, or if such deposit of cash securities or bond is made
6 with an official of some other state, the commissioner may be
7 furnished with and shall accept as evidence of deposit the
8 certificate of such other state officer under his hand and seal,
9 certifying that he holds such deposit or bond for the benefit and
10 protection of all claimants and policyholders of such insurer in
11 the United States.”

1 Sec. 2. Section five hundred fifteen point seventy-two
2 (515.72), Code 1958, is hereby amended by striking from line
3 three (3) thereof the words “so deposited” and by inserting in
4 lieu thereof the following: “deposited with the commissioner of
5 insurance of this state”.

EXPLANATION OF HOUSE FILE 631

The purpose of this proposal is to provide an alternate method of effecting the security deposit of alien insurers required by sections 515.70 to 515.72, Code 1958. These sections were enacted as chapter 277 by the 49th General Assembly in 1941 when there was some concern about alien insurers, as France had been invaded by Germany. Actually, as proved by subsequent events, there was no reason for such concern. Alien insurers with their ample trusteed funds under the jurisdiction of their states of entry into the United States paid all their obligations as well as did the foreign and domestic companies. An examination of Best's Insurance Reports, Fire and Casualty Edition for 1957, shows that forty-three such companies admitted to do business in Iowa have on

deposit in the states of their entry into the United States trustee funds in the amount of \$834,118,907, representing on the average 162 percent of their liabilities. These funds are under the supervision of and may not be withdrawn except upon the approval of the commissioners of insurance of such states.

HOUSE FILE 631

- 1 Amend House File 631 by striking the word "claimants"
- 2 appearing in line ten (10) of section one (1) and by
- 3 inserting in lieu thereof the word "creditors".

Filed
March 25, 1959.

MILROY of Benton.