

SENATE FILE 517

BY COMMITTEE ON JUDICIARY

SJB 314

Approved 2/21/55 (7935)

FILED MAR 21 1955

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

A BILL FOR

1 An Act requiring life insurance companies or associations
 2 and fraternal beneficiary associations to include pro-
 3 visions in certain policies of life insurance providing
 4 for the payment of interest on the death benefits and
 5 reasonable attorney's fees.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SJB 517

1 Section 1. NEW SECTION. 511.38 INTEREST RATES ON DEATH
2 BENEFITS -- ATTORNEY'S FEES.

3 A life insurance company or association doing business in
4 this state shall include in any policy issued on the life of a
5 person who resides in this state at the time the policy is
6 issued both of the following provisions:

7 1. That the company or association shall pay interest on
8 the death benefits commencing on the date of the death of the
9 insured. The interest shall be paid at the maximum rate of
10 interest permitted pursuant to section 535.2, subsection 3 for
11 the month in which the insured died.

12 2. That if legal action is commenced by a beneficiary of
13 the policy or the estate of the insured to collect the death
14 benefit and the legal action is successful, the company or
15 association shall pay the reasonable attorney's fees incurred
16 by the beneficiary or estate in bringing the action.

17 Sec. 2. NEW SECTION. 512.42A INTEREST ON DEATH BENEFITS
18 -- ATTORNEY'S FEES.

19 A fraternal beneficiary association organized under this
20 chapter or doing business in this state shall include in any
21 policy issued on the life of a person who resides in this
22 state at the time the policy is issued both of the following
23 provisions:

24 1. That the association shall pay interest on the death
25 benefits commencing on the date of the death of the insured.
26 The interest shall be paid at the maximum rate of interest
27 permitted pursuant to section 535.2, subsection 3 for the
28 month in which the insured died.

29 2. That if legal action is commenced by a beneficiary of
30 the policy or the estate of the insured to collect the death
31 benefit and the legal action is successful, the company or
32 association shall pay the reasonable attorney's fees incurred
33 in bringing the action by the beneficiary or estate.

34 EXPLANATION

35 This bill provides that life insurance companies and

1 association and fraternal beneficiary associations doing
2 business in this state shall include in life insurance poli-
3 cies issued on the life of a person who resides in this state
4 at the time the policy is issued provision for the payment of
5 interest on the death benefits and the payment of reasonable
6 attorney's fees incurred by a person bringing a successful
7 action to force the company or association to pay the death
8 benefits.

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S-3499

SENATE FILE 517

1 Amend Senate File 517 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. NEW SECTION. 511.38 INTEREST RATES
5 ON DEATH BENEFITS -- ATTORNEY'S FEES.

6 A life insurance company or association doing
7 business in this state shall include in any policy
8 issued on the life of a person who resides in this
9 state at the time the policy is issued both of the
10 following provisions:

11 1. That the company or association shall pay
12 interest on the death proceeds from the date of death
13 or scheduled payment at the maximum rate of interest
14 permitted pursuant to section 535.2, subsection 3 for
15 the month in which the insured died. Payment of the
16 interest is not required if the proceeds are paid
17 within thirty days after receipt of proof of death.

18 2. In the event of judgment against a company or
19 association resulting from an unreasonable delay in
20 the payment of death proceeds, the court may grant
21 reasonable attorneys fees, except where tender was
22 made by the company or association before the
23 commencement of the action.

24 Sec. 2. NEW SECTION. 512.42A INTEREST ON DEATH
25 BENEFITS -- ATTORNEY'S FEES.

26 A fraternal beneficiary association organized under
27 this chapter or doing business in this state shall
28 include in any policy issued on the life of a person
29 who resides in this state at the time the certificate
30 is issued both of the following provisions:

31 1. That the fraternal beneficiary association
32 shall pay interest on the death proceeds from the date
33 of death or scheduled payment at the maximum rate of
34 interest permitted pursuant to section 535.2,
35 subsection 3 for the month in which the insured died.
36 Payment of the interest is not required if the
37 proceeds are paid within thirty days after receipt of
38 proof of death.

39 2. In the event of judgment against a fraternal
40 beneficiary association resulting from an unreasonable
41 delay in the payment of death benefits, the court may
42 grant reasonable attorneys fees, except where tender
43 was made by the fraternal benefit society before the
44 commencement of the action."

SSB 314
Judiciary

New
SF 517

SENATE FILE 517

BY (PROPOSED COMMITTEE ON
JUDICIARY BILL)

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

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2 fraternal beneficiary associations to include provisions
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5 person who resides in this state at the time the policy is
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8 the death benefits commencing on the date of the death of the
9 insured. The interest shall be paid at the maximum rate of
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13 the policy or the estate of the insured to collect the death
14 benefit and the legal action is successful, the company or
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