

FILED FEB 6 1990

SENATE FILE 2232  
BY COMMITTEE ON STATE GOVERNMENT  
*Department (9.2.10)*

(SUCCESSOR TO SSB 2007)

*Sub. introduced from H.F. 2370*

Passed Senate, Date 2/12/90 (7474) Passed House, Date 3/12/90 (7474)

Vote: Ayes 44 Nays 0 Vote: Ayes 92 Nays 0

Approved March 27, 1990

A BILL FOR

1 An Act relating to indemnification of art exhibitors by the Iowa  
2 arts council.

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

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SF 2232

1 Section 1. Section 304A.28, Code 1989, is amended to read  
2 as follows:

3 304A.28 LIMITATIONS.

4 1. Coverage under this division shall extend only to loss  
5 or damage in excess of the first ~~twenty-five~~ two thousand  
6 dollars in connection with a single exhibition.

7 2. Indemnity agreements entered into by the administrator  
8 for a single exhibition or for any single location shall not  
9 exceed a total coverage for loss or damage of ~~two~~ five million  
10 dollars, and all indemnity agreements entered into by the  
11 administrator shall not exceed an aggregate coverage for loss  
12 or damage of ~~five~~ ten million dollars at any one time. The  
13 agreements, together with the claims paid to date, shall not  
14 exceed ~~five~~ ten million dollars at any one time.

15 EXPLANATION

16 This bill increases the maximum level of indemnification  
17 which the arts council may offer to a single art exhibitor or  
18 for any one location to \$5,000,000, compared to the current  
19 maximum of \$2,000,000. Additionally, the deductible or  
20 copayment requirement is reduced to providing indemnity for  
21 losses in excess of \$2,000. Currently the exhibitor bears the  
22 first \$25,000 of any loss which is subject to indemnification  
23 by the council. The total for all indemnity agreements which  
24 may be in existence at any one time is also increased, from  
25 \$5,000,000 to \$10,000,000. The limitation on total indemnity  
26 agreements in effect plus claims paid is also increased from  
27 \$5,000,000 to \$10,000,000.

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LLOYD-JONES, CH.  
DIELEMAN  
GENTLEMAN

SSB 2007  
STATE GOVERNMENT

SENATE FILE 2232  
BY (PROPOSED DEPARTMENT OF  
CULTURAL AFFAIRS BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to indemnification of art exhibitors by the Iowa  
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16 This bill increases the maximum level of indemnification  
17 which the arts council may offer to a single art exhibitor or  
18 for any one location to \$5,000,000, compared to the current  
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28 BACKGROUND STATEMENT

29 SUBMITTED BY THE AGENCY

30 Organizations approved to have exhibitions indemnified by  
31 the state are currently responsible for the first \$25,000 of  
32 any claim. Organizations found their existing insurance  
33 policies did not cover deductibles and the cost of obtaining  
34 separate deductible insurance was more expensive than insuring  
35 the full exhibition under their existing policies. Because

1 one of the purposes of the program is to reduce insurance  
2 costs, the intent of the program is not being met.

3 The art indemnification advisory committee recommends that  
4 the deductible be lowered to \$2,000, an amount that most  
5 museums are willing to assume without seeking separate  
6 deductible insurance. No claims have been sought or paid  
7 since the program's inception in 1984.

8 The art indemnification advisory committee reviewed the  
9 total coverage for a single exhibition; the aggregate coverage  
10 the arts council can enter into at any one time; and the  
11 agreements, together with the claims paid to date, and  
12 concludes that because values for artifacts have increased  
13 dramatically, coverage limitations are not meeting market  
14 conditions.

15 The art indemnification advisory committee recommends the  
16 total coverage for a single exhibition be raised from  
17 \$2,000,000 to \$5,000,000; the aggregate coverage for loss or  
18 damage be raised from \$5,000,000 to \$10,000,000; and the  
19 agreements, together with the claims paid to date, be raised  
20 from \$5,000,000 to \$10,000,000.

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agreements, together with the claims paid to date, shall not exceed five ten million dollars at any one time.

SENATE FILE 2232

AN ACT  
RELATING TO INDEMNIFICATION OF ART EXHIBITORS BY THE IOWA ARTS  
COUNCIL.

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

Section 1. Section 304A.28, Code 1989, is amended to read as follows:

304A.28 LIMITATIONS.

1. Coverage under this division shall extend only to loss or damage in excess of the first twenty-five two thousand dollars in connection with a single exhibition.

2. Indemnity agreements entered into by the administrator for a single exhibition or for any single location shall not exceed a total coverage for loss or damage of two five million dollars, and all indemnity agreements entered into by the administrator shall not exceed an aggregate coverage for loss or damage of five ten million dollars at any one time. The

.....  
JO ANN ZIMMERMAN  
President of the Senate

.....  
DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2232, Seventy-third General Assembly.

.....  
JOHN F. DWYER  
Secretary of the Senate

Approved March 27, 1990

.....  
TERRY E. BRANSTAD  
Governor

SF 2232