

February 11, 1963.
Place on Calendar.

House File 222
By COMMITTEE ON INSURANCE.

Passed House, Date 2-19-63

Passed Senate, Date 4-17-63

Vote: Ayes 104 Nays 0

Vote: Ayes 50 Nays 0

Approved April 25, 1963

*Amended by Senate 4/18
concur by House
Ayes 44 Nays 0*

*Insurance
Pass as amended 4/10*

A BILL FOR

An Act to amend chapter five hundred fifteen (515), Code 1962,
relating to insurance other than life.

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

1 Section 1. Chapter five hundred fifteen (515), Code 1962,
2 is hereby amended by adding thereto the following sections:
3 1. Nothing contained in this chapter shall be construed to
4 prevent a licensed resident agent of this state from procuring
5 insurance in certain unauthorized insurers providing the agent
6 makes oath to the commissioner of insurance in such form as is
7 prescribed by the commissioner that the agent has made diligent
8 effort to place said insurance in authorized insurers and has
9 either exhausted the capacity of all authorized insurers or has
10 been unable to obtain the desired insurance in insurers licensed
11 to transact business in this state. The procuring of any such
12 contracts of insurance in unauthorized insurers makes such
13 insurers liable for, and the agent shall pay, the taxes on such
14 premiums as if such insurer were duly authorized to transact
15 business in the state. A sworn report of all business transacted
16 by agents of this state in such authorized insurers shall be
17 made to the commissioner of insurance on or before March 1st of
18 each year for the preceding calendar year, on such form as the
19 commissioner of insurance may require; such report shall be
20 accompanied by a remittance to cover the taxes thereon. Any

21 agent who makes the oath as above provided, pays the taxes on the
22 premiums and files the report above provided, shall not be deemed
23 to have written such contracts of insurance unlawfully, and such
24 agent shall not be personally liable for such contracts.

25 2. No agent shall knowingly place insurance, either directly
26 or through an intermediary broker, in insurers who are insolvent
27 or unsound financially; and in no event shall an agent place
28 or renew any insurance with unauthorized insurers found by the
29 commissioner of insurance to have failed or refused to furnish
30 in such manner as is provided in the following section,
31 information reasonably showing the ability or willingness of
32 such insurers to satisfy obligations undertaken with respect to
33 insurance issued by them.

34 3. The information required of non-admitted insurers under
35 the preceding paragraph may consist of a copy of such insurer's
36 current annual statement, duly verified, or evidence of any
37 trust funds or deposits maintained by such insurers for the
38 protection of their policyholders, or both, or other material
39 of such general description and relevancy, as the commissioner
40 may require. Such information shall be furnished at the sole
41 cost and expense of the unauthorized insurers either to the
42 commissioner directly, or furnished to the National Association
43 of Insurance Commissioners for the use of its members and their
44 staffs, including the commissioner of insurance of this state
45 and his staff, or for dissemination to him by the Central
46 Non-admitted Insurers Information Bureau of the said association
47 or by any other agency or instrumentality of that association
48 designed to receive and disseminate such information.

- 49 4. The commissioner of insurance shall promulgate such rules
- 50 as are reasonable and necessary to regulate the placement of
- 51 insurance in unauthorized insurers.

EXPLANATION OF HOUSE FILE 222

Certain hard-to-place insurance risks must, of necessity, be written in foreign or alien insurers not licensed by the Iowa insurance department. This bill would legalize these transactions, assist agents in determining the solvency of the unlicensed insurers they use for these cases, and generate revenue for the state by providing for a premium tax payable to the state by the agent.

HOUSE FILE 222

- 1 Amend House File 222 as follows:
- 2 Amend section 3 by adding at the end thereof the follow-
- 3 ing: "The provisions of this Act shall not apply to
- 4 insurance of vessels, craft or hulls, cargoes, marine
- 5 builder's risk, marine protection and indemnity or other
- 6 risk including strikes and war risks commonly insured
- 7 under ocean or wet marine forms of policy."

Filed
April 15, 1963.

adopted 4/17

House concurred 4/18

By LONG.

HOUSE FILE 222

- 1 Amend House File 22, section 1, line 5, by inserting after the
- 2 word "providing" the following: "that such insurance is
- 3 restricted to the type and kind of insurance authorized by
- 4 this chapter and".

Filed
April 10, 1963.

adopted 4/17

House concurred 4/18

By COMMITTEE ON INSURANCE,
IRVING D. LONG, Chairman.