

February 23, 1967
Commerce *Pass as amended 3-17*

House File 236
By MENSING and YODER
(Denman and Lucken)

Substituted for S.H. 292, 5-8-67

Passed House, Date 4-28-67 Passed Senate, Date 5-8-67
Vote: Ayes 94 Nays 2 Vote: Ayes 42 Nays 0
Approved May 18, 1967

A BILL FOR

An Act relating to the contingency reserve and coverage of mortgage liability insurance.

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

This is a Companion Bill; for complete text see Senate File 292.

EXPLANATION OF HOUSE FILE 236

The amendments to section 515C.4 are for the purpose of placing the Iowa Mortgage Guaranty Laws in conformity with the requirements of the federal government.

The amendment to section 515C.5 is to authorize coverage by such companies on commercial and industrial buildings acceptable to the commissioner of insurance and not excluded by his schedules or orders.

This type of coverage is permitted by the laws of substantially all of the states.

1 Amend House File 236 as follows:

2 1. By striking all of Section 1 thereof and by inserting
3 in lieu thereof the following:

4 "Section 1. Section five hundred fifteen C point four
5 (515C.4), Code 1966, is amended by striking lines one (1) through
6 eleven (11) and the words "months has elapsed" in line twelve (12),
7 and by inserting in lieu thereof the following:

8 "For the protection of the people of this state and for
9 the purpose of protecting against the effect of adverse economic
10 cycles, the company shall establish a contingency reserve. The
11 company shall annually contribute fifty per cent of the earned
12 premiums to this reserve. The earned premiums so reserved may be
13 released annually after the period of time required by the
14 commissioner, provided that said time shall not be less than one
15 hundred twenty (120) months."

16 2. Amend Section 2 by striking the comma after the word
17 "residential" in line five (5) and by inserting in lieu thereof the
18 word "or".

19 Further amend said Section 2 by striking the words "or
20 industrial" in line five (5) and by striking the words "and
21 industrial" in line six (6).

Filed - *adopted as amended 4-28*
March 17, 1967

By COMMITTEE ON COMMERCE.

1 Amend the amendment to House File 236 filed by the Commerce
2 Committee on March 17, 1967, as follows:

3 Strike all of lines sixteen (16) to twenty-one (21)
4 inclusive, and insert in lieu thereof the following:

5 2. By striking all of section 2 of said House File
6 236 and inserting the following:

7 Sec. 2. Chapter five hundred fifteen C (515C), Code
8 1966, is amended by adding the following new section:

9 "A mortgage guaranty insurer in addition to coverage
10 provided under section five hundred fifteen C point five
11 (515C.5) of the Code may insure mortgages secured by first
12 lien upon improved real estate which is used for commercial
13 purposes, except for those types of commercial properties
14 specifically excluded by the commissioner of insurance."

Filed - *adopted 4-28*
April 5, 1967

McCARTNEY of Floyd.
KOCH of Woodbury.
GANNON of Jasper.