

Reprinted

FILED JAN 30 1991

SENATE FILE 87
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 77)

Passed Senate, Date 2/8/91 (S. 267) Passed House, Date 3/19/91 (P. 730)
Vote: Ayes 48 Nays 0 Vote: Ayes 96 Nays 0
Approved March 28, 1991

A BILL FOR

3010

1 An Act relating to the deposit insurance required of certain
2 financial institutions by eliminating the authority of those
3 institutions to secure private insurance to satisfy this
4 requirement.

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

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SF 87

30103

1. Section 533.51, Code 1991, is amended to read as follows:

533.51 ACCOUNT INSURANCE.

30104 1. A bank organized under this chapter, as a condition of
2 maintaining its privilege of organization after July 1, 1984,
3 shall acquire and maintain insurance to protect each depositor
4 insurance to protect each depositor against loss of funds held
5 on account by the bank. The insurance shall be obtained from
6 the federal deposit insurance corporation or another insurance
7 plan a successor agency of the federal government as approved
8 by the superintendent.

30109 2. The superintendent may furnish to an official of an
10 insurance plan by which the accounts of the bank are insured,
11 any information relating to examinations and reports of the
12 status of that bank for the purpose of determining
13 availability of insurance to that bank.

14 Sec. 2. Section 533.51, subsection 4, Code 1991, is
15 amended to read as follows:

16 4. "Account insurance plan" means a plan providing account
17 and share insurance which is of a type authorized insurance
18 obtained from the national credit union administrator or a
19 successor agency of the federal government as required under
20 section 533.64.

21 Sec. 3. Section 533.64, Code 1991, is amended to read as
22 follows:

533.64 ACCOUNT INSURANCE.

23 Except as provided in section 533.12, subsection 2, a
24 credit union organized under this chapter, as a condition of
25 maintaining its privilege of organization after December 31,
26 1980, shall acquire and maintain insurance to protect each
27 shareholder and each depositor against loss of funds held on
28 account by the credit union. The insurance shall be obtained
29 from the national credit union administrator or from some
30 other share guarantor or insurance plan a successor agency of
31 the federal government as approved by the ~~town~~ commissioner of

1 insurance-and the superintendent.

3010

2 The-superintendent-may-furnish-to-any-official-of-an
3 insurance-plan-by-which-the-accounts-of-a-credit-union-are
4 insured,-any-information-relating-to-examinations-and-reports
5 of-the-status-of-that-credit-union-for-the-purpose-of
6 availability-of-insurance-to-that-credit-union.

7 Sec. 4. Section 534.506, Code 1991, is amended to read as
8 follows:

9 534.506 ACCOUNT INSURANCE REQUIRED.

3010

10 1. An association organized under this chapter as a
11 condition of maintaining its privilege of organization after
12 July 1, 1984, shall acquire and maintain insurance to protect
13 each depositor against loss of funds held on account by the
3010 14 association. The insurance shall be obtained from the federal
15 savings-and-loan deposit insurance corporation or another
16 insurance-plan successor agency of the federal government as
17 approved by the superintendent.

30107

18 2.--The-superintendent-may-furnish-to-an-official-of-an
19 insurance-plan-by-which-the-accounts-of-the-association-are
20 insured,-any-information-relating-to-examinations-and-reports
21 of-the-status-of-that-association-for-the-purpose-of
22 determining-availability-of-insurance-to-that-association.

23 EXPLANATION

24 This bill eliminates the option for state banks, state
25 credit unions, and state savings and loan associations to
26 secure deposit insurance other than from the federal deposit
27 insurance corporation, the national credit union
28 administrator, or the federal savings and loan insurance
29 corporation.

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SENATE FILE 87

S-3010

Amend Senate File 87 as follows:

1. Page 1, by striking line 4 and inserting the following:

"1. A bank organized under this chapter, as a condition of".

2. Page 1, line 8, by inserting after the word "bank" the following: "as required by federal law".

3. Page 1, by striking lines 12 through 23, and inserting the following:

"2. A bank organized under this chapter may acquire and maintain insurance to protect each depositor against loss of funds held on account by the bank in excess of the amount required under subsection 1, from any insurance plan as approved by the commissioner of insurance and the superintendent.

3. The superintendent may furnish to an official of an insurance plan by which the accounts of the bank are insured as permitted under subsection 2, any information relating to examinations and reports of the status of that bank for the purpose of determining availability of insurance to that bank."

4. Page 1, line 32, by inserting after the word "union" the following: "as required by federal law".

5. Page 2, by striking lines 2 through 6, and inserting the following:

"A credit union organized under this chapter may acquire and maintain insurance to protect each depositor against loss of funds held on account by the credit union in excess of the amount required under this section, from any insurance plan as approved by the commissioner of insurance and the superintendent.

The superintendent may furnish to any official of an insurance plan by which the accounts of a credit union are insured as permitted under this section, any information relating to examinations and reports of the status of that credit union for the purpose of availability of insurance to that credit union."

6. Page 2, by striking line 10 and inserting the following:

"1. An association organized under this chapter as a".

7. Page 2, line 14, by inserting after the word "association" the following: "as required by federal law".

8. Page 2, by striking lines 18 through 22 and inserting the following:

"2. An association organized under this chapter may acquire and maintain insurance to protect each depositor against loss of funds held on account by the association in excess of the amount required under

S-3010

Page 2

1 subsection 1, from any insurance plan as approved by
2 the commissioner of insurance and the superintendent.

3 3. The superintendent may furnish to an official
4 of an insurance plan by which the accounts of the
5 association are insured as permitted under subsection
6 2, any information relating to examinations and
7 reports of the status of that association for the
8 purpose of determining availability of insurance to
9 that association.

10 Sec. _____. A financial institution required by this
11 Act to obtain deposit insurance in an amount required
12 by federal law and which currently is not insured by
13 the federal deposit insurance corporation, the
14 national credit union administrator, or any successor
15 agency of the federal government, must make
16 application for such insurance to the appropriate
17 federal agency no later than January 1, 1992, and must
18 obtain such insurance no later than July 1, 1993."

19 9. Title page, line 2, by striking the word
20 "eliminating" and inserting the following:
21 "limiting".

22 10. Title page, lines 3 and 4, by striking the
23 words "to satisfy this requirement".

24 11. By renumbering as necessary.

By DONALD GETTINGS
PATRICK DELUHERY

S-3010 FILED JANUARY 31, 1991

Classified 5/6 2/5

S-3023

1 Amend Senate File 87 as follows:

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

4 "Section 1. Section 524.816, subsection 1, Code
5 1991, is amended to read as follows:

6 1. A bank organized under this chapter, as a
7 condition of maintaining its privilege of organization
8 after July 1, 1984 shall become an insured bank and
9 shall acquire and maintain insurance to protect each
10 depositor against loss of funds held on account by the
11 bank. The insurance shall be obtained from the
12 federal deposit insurance corporation or another
13 insurance plan approved by the superintendent,
14 provided that each bank shall acquire deposit
15 insurance from the appropriate agency of the federal
16 government.

17 Sec. 2. Section 533.64, unnumbered paragraph 1,
18 Code 1991, is amended to read as follows:

19 Except as provided in section 533.12, subsection 2,
20 a credit union organized under this chapter, as a
21 condition of maintaining its privilege of organization
22 after December 31, 1980, shall acquire and maintain
23 insurance to protect each shareholder and each
24 depositor against loss of funds held on account by the
25 credit union. The insurance shall be obtained from
26 the national credit union administrator or from some
27 other share guarantor or insurance plan approved by
28 the Iowa commissioner of insurance and the
29 superintendent, provided that each credit union shall
30 acquire deposit insurance from the appropriate agency
31 of the federal government.

32 Sec. 3. Section 534.506, subsection 1, Code 1991,
33 is amended to read as follows:

34 1. An association organized under this chapter as
35 a condition of maintaining its privilege of
36 organization after July 1, 1984 shall acquire and
37 maintain insurance to protect each depositor against
38 loss of funds held on account by the association. The
39 insurance shall be obtained from the federal savings
40 and loan insurance corporation or another insurance
41 plan approved by the superintendent, provided that
42 each association organized under this chapter shall
43 acquire deposit insurance from the appropriate agency
44 of the federal government.

45 Sec. 4. EFFECTIVE DATE. This Act takes effect
46 July 1, 1992."

47 2. Title page, by striking lines 2 through 4 and
48 inserting the following: "Financial institutions, and
49 providing an effective date."

By DON E. GETTINGS
PAT DELUHERY

RICHARD F. DRAKE
HARRY SLIFE

S-3023 FILED FEBRUARY 7, 1991

Adopted 2/8

House Commerce 2/13 Do Pass 3/7

SENATE FILE 87
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 77)

(AS AMENDED AND PASSED BY THE SENATE FEBRUARY 8, 1991)
ALL New Language by the Senate

Passed Senate, Date _____ Passed House, Date 3/19/91 (p. 730)
Vote: Ayes _____ Nays _____ Vote: Ayes 96 Nays 0
Approved March 28, 1991

A BILL FOR

1 An Act relating to the deposit insurance required of certain
2 financial institutions, and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 87

1 Section 1. Section 524.816, subsection 1, Code 1991, is
2 amended to read as follows:

3 1. A bank organized under this chapter, as a condition of
4 maintaining its privilege of organization after July 1, 1984
5 shall become an insured bank and shall acquire and maintain
6 insurance to protect each depositor against loss of funds held
7 on account by the bank. The insurance shall be obtained from
8 the federal deposit insurance corporation or another insurance
9 plan approved by the superintendent, provided that each bank
10 shall acquire deposit insurance from the appropriate agency of
11 the federal government.

12 Sec. 2. Section 533.64, unnumbered paragraph 1, Code 1991,
13 is amended to read as follows:

14 Except as provided in section 533.12, subsection 2, a
15 credit union organized under this chapter, as a condition of
16 maintaining its privilege of organization after December 31,
17 1980, shall acquire and maintain insurance to protect each
18 shareholder and each depositor against loss of funds held on
19 account by the credit union. The insurance shall be obtained
20 from the national credit union administrator or from some
21 other share guarantor or insurance plan approved by the Iowa
22 commissioner of insurance and the superintendent, provided
23 that each credit union shall acquire deposit insurance from
24 the appropriate agency of the federal government.

25 Sec. 3. Section 534.506, subsection 1, Code 1991, is
26 amended to read as follows:

27 1. An association organized under this chapter as a
28 condition of maintaining its privilege of organization after
29 July 1, 1984 shall acquire and maintain insurance to protect
30 each depositor against loss of funds held on account by the
31 association. The insurance shall be obtained from the federal
32 savings and loan insurance corporation or another insurance
33 plan approved by the superintendent, provided that each
34 association organized under this chapter shall acquire deposit
35 insurance from the appropriate agency of the federal

1 government.

2 Sec. 4. EFFECTIVE DATE. This Act takes effect July 1,
3 1992.

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Delunsky, en.
STURGEON
SLIFE

SSB 77
Commerce

SENATE FILE 87
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON DELUHERY)

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

A BILL FOR

1 An Act relating to the deposit insurance required of certain
2 financial institutions by eliminating the authority of those
3 institutions to secure private insurance to satisfy this
4 requirement.

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

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1 Section 1. Section 524.816, Code 1991, is amended to read
2 as follows:

3 524.816 ACCOUNT INSURANCE.

4 ~~1-~~ A bank organized under this chapter, as a condition of
5 maintaining its privilege of organization after July 1, 1984,
6 shall become an insured bank and shall acquire and maintain
7 insurance to protect each depositor against loss of funds held
8 on account by the bank. The insurance shall be obtained from
9 the federal deposit insurance corporation or ~~another insurance~~
10 plan a successor agency of the federal government as approved
11 by the superintendent.

12 ~~2--The superintendent may furnish to an official of an~~
13 ~~insurance plan by which the accounts of the bank are insured,~~
14 ~~any information relating to examinations and reports of the~~
15 ~~status of that bank for the purpose of determining~~
16 ~~availability of insurance to that bank.~~

17 Sec. 2. Section 533.51, subsection 4, Code 1991, is
18 amended to read as follows:

19 4. "Account insurance plan" means ~~a plan providing account~~
20 ~~and share insurance which is of a type authorized~~ insurance
21 obtained from the national credit union administrator or a
22 successor agency of the federal government as required under
23 section 533.64.

24 Sec. 3. Section 533.64, Code 1991, is amended to read as
25 follows:

26 533.64 ACCOUNT INSURANCE.

27 Except as provided in section 533.12, subsection 2, a
28 credit union organized under this chapter, as a condition of
29 maintaining its privilege of organization after December 31,
30 1980, shall acquire and maintain insurance to protect each
31 shareholder and each depositor against loss of funds held on
32 account by the credit union. The insurance shall be obtained
33 from the national credit union administrator or ~~from some~~
34 ~~other share guarantor or insurance plan~~ a successor agency of
35 the federal government as approved by the Iowa commissioner of

1 insurance-and the superintendent.

2 The-superintendent-may-furnish-to-any-official-of-an
3 insurance-plan-by-which-the-accounts-of-a-credit-union-are
4 insured,-any-information-relating-to-examinations-and-reports
5 of-the-status-of-that-credit-union-for-the-purpose-of
6 availability-of-insurance-to-that-credit-union-

7 Sec. 4. Section 534.506, Code 1991, is amended to read as
8 follows:

9 534.506 ACCOUNT INSURANCE REQUIRED.

10 1- An association organized under this chapter as a
11 condition of maintaining its privilege of organization after
12 July 1, 1984, shall acquire and maintain insurance to protect
13 each depositor against loss of funds held on account by the
14 association. The insurance shall be obtained from the federal
15 savings-and-loan deposit insurance corporation or another
16 insurance-plan successor agency of the federal government as
17 approved by the superintendent.

18 2--The-superintendent-may-furnish-to-an-official-of-an
19 insurance-plan-by-which-the-accounts-of-the-association-are
20 insured,-any-information-relating-to-examinations-and-reports
21 of-the-status-of-that-association-for-the-purpose-of
22 determining-availability-of-insurance-to-that-association-

23 EXPLANATION

24 This bill eliminates the option for state banks, state
25 credit unions, and state savings and loan associations to
26 secure deposit insurance other than from the federal deposit
27 insurance corporation, the national credit union
28 administrator, or the federal savings and loan insurance
29 corporation.

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SENATE FILE 87

AN ACT

RELATING TO THE DEPOSIT INSURANCE REQUIRED OF CERTAIN FINANCIAL INSTITUTIONS, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 524.816, subsection 1, Code 1991, is amended to read as follows:

1. A bank organized under this chapter, as a condition of maintaining its privilege of organization after July 1, 1984 shall become an insured bank and shall acquire and maintain insurance to protect each depositor against loss of funds held on account by the bank. The insurance shall be obtained from the federal deposit insurance corporation or another insurance plan approved by the superintendent, provided that each bank shall acquire deposit insurance from the appropriate agency of the federal government.

Sec. 2. Section 533.64, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Except as provided in section 533.12, subsection 2, a credit union organized under this chapter, as a condition of maintaining its privilege of organization after December 31, 1980, shall acquire and maintain insurance to protect each shareholder and each depositor against loss of funds held on account by the credit union. The insurance shall be obtained from the national credit union administrator or from some other share guarantor or insurance plan approved by the Iowa commissioner of insurance and the superintendent, provided that each credit union shall acquire deposit insurance from the appropriate agency of the federal government.

Sec. 3. Section 534.506, subsection 1, Code 1991, is amended to read as follows:

1. An association organized under this chapter as a condition of maintaining its privilege of organization after July 1, 1984 shall acquire and maintain insurance to protect each depositor against loss of funds held on account by the association. The insurance shall be obtained from the federal savings and loan insurance corporation or another insurance plan approved by the superintendent, provided that each association organized under this chapter shall acquire deposit insurance from the appropriate agency of the federal government.

Sec. 4. EFFECTIVE DATE. This Act takes effect July 1, 1992.

JOE J. WELSH
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 87, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate
Approved March 28, 1991

TERRY E. BRANSTAD
Governor

SF 87