

JAN 26 1999
COMMERCE AND REGULATION

HOUSE FILE 140
BY METCALF

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

A BILL FOR

1 An Act relating to the operation of insurance companies in this
2 state by providing for the management of certain types of
3 insurer, and the rights and duties of insurance companies
4 under certain policies issued in this state.

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

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1 Section 1. Section 515.26, Code 1999, is amended to read
2 as follows:

3 515.26 DIRECTORS.

4 The affairs of a company organized as provided by this
5 chapter shall be managed by a number of directors, of not less
6 than five nor more than twenty-one, ~~all of whom, in case of a~~
7 ~~stock company, shall be stockholders, or, in.~~ In the case of
8 a mutual company, all such directors shall be policyholders,
9 ~~or before the company shall effect insurance, be subscribers~~
10 ~~for stock or for insurance as the case may be.~~

11 Sec. 2. Section 515.35, subsection 3, paragraph a,
12 subparagraph (2), subparagraph subdivision (a), Code 1999, is
13 amended to read as follows:

14 (a) That the loan will be fully collateralized by cash,
15 cash equivalents, or obligations issued or guaranteed by the
16 United States or an agency or an instrumentality of the United
17 States, and that the collateral will be adjusted as necessary
18 each business day during the term of the loan to maintain the
19 required collateralization in the event of market value
20 changes in the loaned securities or collateral.

21 If the loan is fully collateralized by cash, the
22 reinvestment of the cash may be made in either individual
23 securities or a pooled fund comprised of individual
24 securities. If such reinvestment is made in individual
25 securities, such securities must mature in less than ninety
26 days. If such reinvestment is made in a pooled fund, the
27 average maturity of the securities comprising such pooled fund
28 must be less than ninety days. Individual securities and
29 securities comprising the pooled fund shall be investment
30 grade.

31 Sec. 3. Section 515D.4, subsection 2, Code 1999, is
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. d. The named insured requests the
34 exclusion.

35 Sec. 4. Section 910.1, subsections 3 and 5, Code 1999, are

1 amended to read as follows:

2 3. "Pecuniary damages" means all damages ~~to-the-extent~~
3 whether or not paid by an insurer, which a victim could
4 recover against the offender in a civil action arising out of
5 the same facts or event, except punitive damages and damages
6 for pain, suffering, mental anguish, and loss of consortium.
7 Without limitation, "pecuniary damages" includes damages for
8 wrongful death and expenses incurred for psychiatric or
9 psychological services or counseling or other counseling for
10 the victim which became necessary as a direct result of the
11 criminal activity.

12 5. "Victim" means a person who has suffered pecuniary
13 damages as a result of the offender's criminal activities.
14 ~~However,--for-purposes-of-this-chapter,--an-insurer-is-not-a~~
15 ~~victim-and-does-not-have-a-right-of-subrogation.~~ The crime
16 ~~victim-compensation-program-is-not-an-insurer-for-purposes-of~~
17 ~~this-chapter,--and-the~~ right of subrogation provided by section
18 915.92 does not prohibit restitution to the crime victim
19 compensation program.

20 | Sec. 5. NEW SECTION. 910.8A LIMITATIONS ON RECOVERY AND
21 SUBROGATION.

22 | 1. Notwithstanding section 910.8, a victim who is not an
23 insurer shall not recover in any action against the offender
24 amounts paid by an insurer to the victim which are pecuniary
25 damages.

26 | 2. An insurer does not have a right of subrogation against
27 a victim who recovers pecuniary damages from an offender.

28 | EXPLANATION

29 | This bill amends provisions related to the management of
30 certain insurance companies, and the rights and duties of
31 certain insurance companies under policies issued in this
32 state.

33 | Code section 515.35 is amended to provide that cash used to
34 collateralize a loan of stocks or obligations held by an
35 insurance company may be reinvested in either individual

1 securities or a pooled fund comprised of individual
2 securities. If the reinvestment is made in individual
3 securities, such securities must mature in less than 90 days.
4 If the reinvestment is made in a pooled fund comprised of
5 securities, the average maturity of such securities must be
6 less than 90 days. Individual securities and securities
7 comprising a pooled fund must be investment grade.

8 Code section 515.26 is amended to eliminate the requirement
9 that a director of a domestic stock property and casualty
10 insurance company own stock in such company as a prerequisite
11 to becoming and remaining a director.

12 Code section 515D.4 is amended to provide that an
13 individual may be excluded from coverage if the exclusion from
14 coverage is requested by the named insured.

15 Code chapter 910 is amended to provide that an insurance
16 company is a victim for purposes of chapter 910 and therefore
17 eligible for restitution. The bill provides that a victim who
18 is not an insurer shall not recover in any action against the
19 offender amounts paid by an insurer to the victim which are
20 pecuniary damages. The bill also provides that an insurer
21 does not have a right of subrogation against a victim who
22 recovers pecuniary damages from an offender.

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