

*Arnold*  
*Famberti*  
*Schuerer*

SSB 1015

*Commerce*  
Succeeded By  
SF/HF 47

SENATE FILE  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY  
CHAIRPERSON JENSEN)

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

**A BILL FOR**

1 An Act relating to the classification of funding agreements  
2 issued by a life insurance company for purposes of the  
3 prioritization of claims against the assets of an insurer  
4 subject to supervision, rehabilitation, and liquidation, and  
5 including an effective date and a retroactive applicability  
6 provision.

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

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Section 1. Section 508.31A, subsection 3, Code 1999, is  
2 amended to read as follows:

3 3. A funding agreement is a class 3 2 claim under section  
4 507C.42, subsection 3 2.

5 Sec. 2. RETROACTIVE APPLICABILITY AND EFFECTIVE DATE.

6 1. This Act applies retroactively to July 1, 1998.

7 2. This Act, being deemed of immediate importance, takes  
8 effect upon enactment.

9 EXPLANATION

10 This bill provides that a funding agreement issued by a  
11 life insurance company is a class 2 claim for purposes of the  
12 distribution of claims from the assets of an insurer under  
13 Code chapter 507C, relating to the supervision,  
14 rehabilitation, and liquidation of an insurer. The issuance  
15 of funding agreements by life insurance companies was  
16 specifically authorized during the 1998 regular session.  
17 Under the 1998 legislation, funding agreements were classified  
18 as a class 3 claim under Code section 507C.42. Class 3 claims  
19 under that section are certain claims of the federal  
20 government. Class 2 claims are claims under insurance  
21 policies.

22 The bill takes effect upon enactment and applies  
23 retroactively to July 1, 1998, the effective date of the 1998  
24 legislation.

25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

H. 1/28/98 Commerce  
H. 1/28/99 Do Pass

FILED JAN 26 1999

SENATE FILE 47  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1015)

Passed Senate, Date 1/27/99 (P. 149) Passed House, Date 2/3/99 (P. 239)  
Vote: Ayes 49 Nays 0 Vote: Ayes 92 Nays 0  
Approved Jan. 10<sup>th</sup> (P. 302)

**A BILL FOR**

1 An Act relating to the classification of funding agreements  
2 issued by a life insurance company for purposes of the  
3 prioritization of claims against the assets of an insurer  
4 subject to supervision, rehabilitation, and liquidation, and  
5 including an effective date and a retroactive applicability  
6 provision.

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

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

SF 47

1 Section 1. Section 508.31A, subsection 3, Code 1999, is  
2 amended to read as follows:

3 3. A funding agreement is a class 3 2 claim under section  
4 507C.42, subsection 3 2.

5 Sec. 2. RETROACTIVE APPLICABILITY AND EFFECTIVE DATE.

6 1. This Act applies retroactively to July 1, 1998.

7 2. This Act, being deemed of immediate importance, takes  
8 effect upon enactment.

9 EXPLANATION

10 This bill provides that a funding agreement issued by a  
11 life insurance company is a class 2 claim for purposes of the  
12 distribution of claims from the assets of an insurer under  
13 Code chapter 507C, relating to the supervision,  
14 rehabilitation, and liquidation of an insurer. The issuance  
15 of funding agreements by life insurance companies was  
16 specifically authorized during the 1998 regular session.  
17 Under the 1998 legislation, funding agreements were classified  
18 as a class 3 claim under Code section 507C.42. Class 3 claims  
19 under that section are certain claims of the federal  
20 government. Class 2 claims are claims under insurance  
21 policies.

22 The bill takes effect upon enactment and applies  
23 retroactively to July 1, 1998, the effective date of the 1998  
24 legislation.

25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

2. This Act, being deemed of immediate importance, takes effect upon enactment.

---

MARY E. KRAMER  
President of the Senate

---

RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 47, Seventy-eighth General Assembly.

---

MICHAEL E. MARSHALL  
Secretary of the Senate

Approved *Jul 10*, 1999

---

THOMAS J. VILSACK  
Governor

SENATE FILE 47

AN ACT

RELATING TO THE CLASSIFICATION OF FUNDING AGREEMENTS ISSUED BY A LIFE INSURANCE COMPANY FOR PURPOSES OF THE PRIORITIZATION OF CLAIMS AGAINST THE ASSETS OF AN INSURER SUBJECT TO SUPERVISION, REHABILITATION, AND LIQUIDATION, AND INCLUDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY PROVISION.

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

Section 1. Section 508.31A, subsection 3, Code 1999, is amended to read as follows:

3. A funding agreement is a class 3 2 claim under section 507C.42, subsection 3 2.

Sec. 2. RETROACTIVE APPLICABILITY AND EFFECTIVE DATE.

1. This Act applies retroactively to July 1, 1998.