

CHAPTER 18.

INSURANCE.

H. F. 506.

AN ACT to amend the law as it appears in sections three hundred sixty (360), seventeen hundred ten (1710), seventeen hundred eleven (1711), seventeen hundred twenty-one (1721), seventeen hundred twenty-eight (1728), seventeen hundred forty-five (1745), seventeen hundred eighty-seven (1787), seventeen hundred ninety-eight (1798) of the code, and to amend the law as it appears in sections thirteen hundred thirty-three (1333), seventeen hundred nine (1709) (division 1), seventeen hundred fifty-eight-b (1758-b), seventeen hundred eighty-two (1782), seventeen hundred fifty-nine-b (1759-b), seventeen hundred fifty-nine-f (1759-f), seventeen hundred ninety-eight-a (1798-a), seventeen hundred ninety-eight-b (1798-b), eighteen hundred thirty-nine-j (1839-j), of the supplement to the code, 1907, and to amend the law as it appears in section seven (7), chapter one hundred five (105), and section one (1) of chapter one hundred eleven (111) of the acts of the thirty-third general assembly; and to enact a section as section eighteen hundred twenty-d (1820-d) to chapter eight (8), title nine (9) of the code, all relating to insurance.

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

SECTION 1. Surety company may exceed ten per cent if excess is reinsured. That the law as it appears in section three hundred sixty (360) of the code is amended by striking out the period (.) at the end of section one (1) and substituting a comma (,) therefor, and by adding to said section the following:

“Authorized to do business in the state and in no case to exceed ten per cent of the capital of the reinsuring company and provided that a certificate of such reinsurance shall be furnished to the insured.”

SEC. 2. Tax on premium receipts. That the law as it appears in section thirteen hundred thirty-three (1333) of the supplement to the code, 1907, is amended by inserting in line 8 [9], between the words, “it” and “for,” the words “or its agents, in cash, promissory obligation or other form of settlement”.

SEC. 3. Investment of funds made compulsory. That the law as it appears in section one of chapter one hundred eleven (sec. 1, chap. 111) of the acts of the thirty-third general assembly, is amended by striking from line four the word “may” and inserting in lieu thereof the word “shall”.

SEC. 4. Insurance against loss of rents. That the law as it appears in section seventeen hundred nine (1709) (division one) of the supplement to the code, 1907, is amended by adding the words “and insure against loss of rents or use of buildings, when such loss or use is caused by fire, lightning, wind-storms, cyclones or tornadoes.”

SEC. 5. Reinsurance must be in authorized companies. That the law as it appears in section seventeen hundred eleven (1711) of the code, is amended by inserting in line two thereof immediately following the word insured, the following: “In companies only [,] authorized to do business in this state”.

SEC. 6. Capital and surplus of health and accident companies. That the law as it appears in section seventeen hundred twenty-one (1721) of the code is amended by striking out all following the word “dollars” in the twelfth line of said section, and inserting in lieu thereof the following:

“But such companies organized to insure the health of persons and against personal injuries, disablement or death resulting from traveling or general accidents by land or water, having an actual paid-up capital of one hundred thousand (\$100,000.00) dollars and surplus to be approved by the auditor of state, exclusive of any assets deposited in other states and territories for the

special benefit or security of the insured therein, shall be deemed sufficient, within the meaning of this section."

SEC. 7. Cancellation made by company. That the law as it appears in section seventeen hundred twenty-eight (1728) of the code is amended by adding to the section immediately following the last line the following:

"The policy may be cancelled by the insurance company by giving five days' notice of such cancellation, in which event it may retain only the pro-rata premium."

SEC. 8. Approval of policy forms and permits. That the law as it appears in section seventeen hundred forty-five (1745) of the code is amended by striking out the first two lines and that part of line three down to and including the word "and" and by substituting the following in lieu thereof: "The form of all policies or permits issued or proposed to be issued by any insurance company doing business in this state under the provisions of this chapter, shall first be examined and approved by the auditor of state,"

SEC. 9. Twenty-five pounds of gunpowder may be kept. That the law as it appears in section seventeen hundred fifty-eight-b (1758-b) of supplement to the code, 1907, sub-division V (e), is amended by striking out the comma immediately following the word "gun-powder".

SEC. 10. Standard fire policy—lines numbered. That section seventeen hundred fifty-eight-b (1758-b) of supplement to the code, 1907, is amended by striking out the words: "Double column form with numbered lines" from the third and fourth lines of said section, and inserting in lieu thereof the words: "uniform numbered lines, as adopted and approved by the auditor of state".

SEC. 11. Words "mutual" and "association" part of name. That the law as it appears in section seventeen hundred fifty-nine-b (1759-b) of the supplement to the code, 1907, is amended by striking [out] the period following the last word and by adding thereto the following: "and the two words 'mutual' and 'association' shall be incorporated into and become a part of their name."

SEC. 12. Term of agents license defined. That the law as it appears in section seventeen hundred fifty-nine-f (1759-f) of the supplement to the code, 1907, is amended by striking from line four the words "of the year".

SEC. 13. Discrimination by casualty companies prohibited. That the law as it appears in section seventeen hundred eighty-two (1782) of the supplement to the code, 1907, is amended by inserting in line one, between the words "life" and "insurance" the following: "Or casualty, health or accident".

SEC. 14. Approval of assessment life policy forms. That the law as it appears in section seventeen hundred eighty-seven (1787) of the code is amended by adding thereto the following: "Its policy forms shall be approved, as provided by section seventeen hundred eighty-three-a (1783-a) of the supplement to the code, 1907."

SEC. 15. Service of process upon foreign benevolent societies. That the law as it appears in section seventeen hundred ninety-eight (1798) of the code is amended by adding the following to the last line thereof:

"Provided that if organized under the laws of another state or country, they shall file with the auditor of state an agreement in writing authorizing service or notice of process to be made upon the said auditor of state, and when so made shall be as valid and binding as if served upon the association within this state."

SEC. 16. Future organization of health or accident associations prohibited. That the law as it appears in section seventeen hundred ninety-eight-a (1798-a) of the supplement to the code, 1907, is amended by inserting after the word "life" in line one the words: "health or accident"; also by inserting in line six between the words "which" and "shall" the following words: "if a life insurance company or association".

SEC. 17. Health and accident associations may become stock companies. That the law as it appears in section seventeen hundred ninety-eight-b (1798-b), supplement to the code, 1907, is amended by adding to the last line thereof the following:

"Provided that accident or health associations may take advantage of all the provisions of this section, in so far as applicable, and may thereupon transform themselves into stock companies. But no such company or association shall reorganize under the provisions of this section unless it shall have accumulated sufficient surplus to constitute a reinsurance reserve equal to the unearned premium on all outstanding policies or certificates, as prescribed by the statutes of this state relating thereto."

SEC. 18. Blank annual reports may be purchased. Section eighteen hundred twenty-d (1820-d). All reports contemplated under sections seventeen hundred fourteen (1714), seventeen hundred seventy-three (1773), seventeen hundred ninety (1790), seventeen hundred ninety-nine (1799) and eighteen hundred thirty (1830) of the code, and acts amendatory thereof may be upon forms furnished by the auditor of state, and who may, at his option upon authority of the executive council, purchase such forms as are approved by the national convention of insurance commissioners, known as convention edition.

SEC. 19. Valuation of fraternal certificates. That the law as it appears in section eighteen hundred thirty-nine-j (1839-j) of the supplement to the code, 1907, is amended by adding thereto, following the last line thereof, the following:

"The certificate written by any domestic fraternal beneficiary association operating under the provisions of the foregoing mortality table shall be valued in the same manner as provided in section seventeen hundred seventy-four (1774) of the code, except that such valuation shall be based upon the foregoing mortality table and four per cent interest."

SEC. 20. Insurance companies exempt from certain corporate provisions. That the law as it appears in section seven (7) of chapter one hundred five (105) of the acts of the thirty-third general assembly, is amended by adding to the last line thereof the following:

"Nor to insurance companies or associations who have paid the taxes provided in sections thirteen hundred thirty-three (1333) and thirteen hundred thirty-three-d (1333-d) of the supplement to the code, 1907, and received a certificate of authority from the state auditor."

SEC. 21. Bond reinsurance must be in authorized companies. That the law as it appears in section seventeen hundred ten (1710) of the code be amended by striking out the period (.) at the end of line six (6) and substituting a comma (,) therefor, and by adding the following: "authorized to do business in the state, provided that in no case the excess reinsured shall exceed ten per cent of the capital of the reinsuring company and provided further that a certificate of such reinsurance shall be furnished to the insured."

Approved May 5, A. D. 1911.