

6 hereunder or upon the ground that unreasonable or exorbitant charges
7 have been made for services rendered. Pending investigation, the
8 commissioners, whenever they deem necessary, may suspend a li-
9 cense temporarily without hearing.

1 **SEC. 24. Publications authorized.** The commissioners from time
2 to time may publish the results of any investigations made under
3 section two (2) of this act; and he shall publish the names and loca-
4 tions of warehouses licensed and bonded and the names and addresses
5 of persons licensed under this act and lists of all licenses terminated
6 under this act and the causes therefor.

1 **SEC. 25. General examinations.** The commissioners are author-
2 ized through their officials, employees, or agents designated by them
3 to examine all books, records, papers, and accounts of warehouses
4 licensed under this act and of the warehousemen conducting such
5 warehouses relating thereto.

1 **SEC. 26. Rules and regulations.** The commissioners shall from
2 time to time make such rules and regulations as they may deem nec-
3 essary for the efficient execution of the provisions of this act.

1 **SEC. 27. Cooperation with federal government.** The commis-
2 sioners are hereby authorized to cooperate with the secretary of agri-
3 culture of the United States and with officials designated by him
4 for such duties in the enforcement of the provisions of the United
5 States Warehouse Act.

1 **SEC. 28. Penalty.** Every person who shall forge, alter, counter-
2 feit, simulate, or falsely represent, or shall without proper authority
3 use, any license issued under this act, or who shall violate or fail to
4 comply with any provision of section seven (7) of this act, or who
5 shall issue or utter a false or fraudulent receipt or certificate, shall
6 be deemed guilty of a misdemeanor, and upon conviction thereof
7 shall be fined not more than five hundred dollars (\$500.00) or impris-
8 oned not more than six months, or both, in the discretion of the court.

Approved April 4, A. D. 1921.

CHAPTER 120

MUTUAL INSURANCE ASSOCIATIONS

H. F. 391

AN ACT to provide for the organization, regulation, taxation and operation of mutual insurance associations, also to repeal chapter five (5), title nine (IX) of the code, and amendments thereto, (C. C. Sec. 5682, chapter 8), and to enact a substitute therefor.

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

1 **SECTION 1. Repeal.** That chapter five (5), title nine (IX) of
2 the code, (C. C. Sec. 5682, chapter 8) be repealed and the following
3 enacted in lieu thereof:

Organization—purposes and powers. Any number
5 of persons may by incorporating under chapter 1, title IX, of the code,
6 enter into contracts with each other for the following kinds of in-
7 surance from loss or damage by: first, fire and lightning; second,
8 tornado, cyclone and windstorm; third, theft and against any or all
9 loss, expense and liability resulting from the ownership, maintenance
10 or use of any automobile or other vehicle but shall not include, by
11 county mutuels, insurance against bodily injury to the person; fourth,
12 plate glass, against breakage of glass local or in transit; fifth, hail-
13 storms. For the purpose of this protection these contracts of insur-
14 ance shall be subject only to such provisions as are contained in this
15 chapter and shall consist of: first, an application on blanks furnished
16 by the association and signed by the insured or his representative,
17 which may contain in addition to other provisions; the value of the
18 property, the proper description thereof, the amount of other insur-
19 ance and the incumbrance thereon, and agreement to be governed by
20 the articles of incorporation and by-laws in force at the time the pol-
21 icy is issued, a representation that the foregoing statements are true
22 as far as the same are known to the insured or material to the risk,
23 and that the insurance shall take effect when approved by the secre-
24 tary. Second, a policy issued by the association in accordance with
25 its rules; and approved by the commissioner of insurance. Such as-
26 sociations may insure risks of their members or may reinsure risks
27 of other associations or companies; or may organize reinsurance as-
28 sociations for the reinsurance of risks. The word "persons" and
29 "members" as used in this chapter shall be construed to mean trust-
30 tees, administrators, and all other individuals, public or private cor-
31 porations or associations.

1 "SEC. 2. **Associations defined.** Any association incorporated un-
2 der the laws of this state for the purpose of furnishing insurance
3 as provided for in this chapter, doing business only within the county
4 in which is situated the town or city named in its articles of incorpora-
5 tion as its principal place of business, or the counties contiguous there-
6 to, shall for the purpose of this chapter, be deemed a county mutual
7 assessment association; all other associations operating hereunder
8 shall, for the purposes of this chapter be deemed state mutual assess-
9 ment associations, and such associations may do business throughout
10 the state and in other states where they are legalized and authorized
11 to do business. The words "mutual" and "association" shall be in-
12 corporated in and become a part of their name.

1 "SEC. 3. **When authorized to issue policies.** No state mutual as-
2 sessment association shall issue policies until at least one hundred and
3 twenty-five (125) applications have been received in any class as
4 shown by section one (1) hereof, representing the following amount
5 of insurance: Classes 1, 2, 3, and 5, two hundred and fifty thousand
6 dollars (\$250,000) each, class 4, one hundred thousand dollars (\$100,-
7 000) and no county mutual assessment association shall issue policies
8 until applications for insurance to the amount of fifty thousand dol-
9 lars (\$50,000) representing at least fifty (50) applicants have been
10 received, and no application for insurance during the period of organ-
11 ization shall exceed two per cent of the amount required for organi-
12 zation, nor after one year of organization one per cent of the total
13 insurance in force, any reinsurance taking effect simultaneously with

14 the policy being deducted in determining such maximum single risk.
15 Neither shall any association issue policies of insurance until its ar-
16 ticles of incorporation, by-laws and form of policy shall have been
17 submitted to the commissioner of insurance and if upon examination
18 of same he finds them to conform to the provisions of this chapter he
19 shall at once issue to the association a certificate authorizing it to
20 transact an insurance business.

“SEC. 4. **Assessments—loans—emergency fund—net assets**
1 required. Such associations may collect a policy and contingent fee,
2 and such assessments, provided for in their articles of incorporation
3 and by-laws, as are required to pay losses and necessary expenses,
4 and for the creation and maintenance of an emergency fund for
5 the payment of excess losses and no part of such emergency fund can
6 be claimed by any member whose policy expires or is surrendered for
7 cancellation. Any association may collect assessments for losses and
8 expenses for one year in advance; or for more than one year in ad-
9 vance where such advance assessment does not exceed five (5) mills on
10 each dollar of insurance in force; and in case the funds of any asso-
11 ciation are not sufficient to pay losses that have been reported or ad-
12 justed the association may borrow money for payment of losses until
13 such time as it is practical to make an assessment or until the regular
14 assessment period. Funds raised by such associations which because
15 of temporarily low rate of losses are not needed to pay losses and ex-
16 penses in any year, may be passed to an emergency fund to be held
17 for payment of excess losses in a subsequent year or years; such fund
18 may be deposited in banks, or at the option of the board of directors
19 may be invested in the classes of securities permitted by section 1699
20 of the code as amended; but under the direction of the board of direc-
21 tors and with the consent of the commissioner of insurance a part of
22 such fund may be invested in a home office building. When the
23 emergency fund of any association reaches an amount equal to 100%
24 of the average cost per thousand on all policies in force for the full
25 term for which assessment is collected and not less than one hundred
26 thousand dollars (\$10⁰.000) or such amount of capital stock as is re-
27 quired of domestic companies, such associations may issue policies of
28 fixed premiums. Associations using a basis rate whose risks consist
29 principally of store buildings and their contents, manufacturing es-
30 tablishments, public garages, lumber yards, office buildings, hotels,
31 theaters, moving picture houses, stocks of implements or automobiles,
32 shall maintain at all times net assets equal to 40% of one annual as-
33 sessment at the basis rate charged for such insurance on all policies
34 in force, and may provide in its by-laws and specify in its policies
35 the maximum liability of its members to the association; such liability
36 shall not be less than a sum equal to the basis rate charged by the
37 association for insurance nor greater than a sum equal three times
38 such basis rate.

1 “SEC. 5. **Annual report.** Each association doing business under
2 the provisions of this chapter shall, annually, in the month of January
3 report to the commissioner of insurance, upon blanks furnished by
4 him, such facts as are required of domestic insurance companies or-
5 ganizing under chapter IV of title IX of the code, as are applicable
6 to this chapter. These reports shall be tabulated and published by
7 the commissioner of insurance in the annual report of insurance, one

8 copy of which shall be sent to each association. The county associa-
9 tions, the state associations, and those doing an exclusive tornado,
10 an exclusive hailstorm, or an exclusive automobile insurance business
11 shall be separately classified in said report.

1 "SEC. 6. Proof of loss—limitation of action. In furnishing proofs
2 of loss under any contract of insurance under this chapter for loss or
3 damage it shall be necessary for the insured, within sixty (60) days
4 from the time loss or damage occurs, to give notice in writing to the
5 association issuing such contracts of insurance accompanied by an
6 affidavit stating the facts as to how the loss occurred so far as the
7 same are within the knowledge of the insured, the property destroyed
8 or damaged and, the extent of the loss: Provided, however, that in
9 case of damage or loss to live stock by fire or lightning or loss or
10 damage to automobile by theft or fire, notice of such loss must be
11 given the association by mailing written notice within five (5) days
12 from the time such loss or damage occurred, and in case of loss to
13 growing crops by hail, notice of such loss must be given the associa-
14 tion by mailing a registered letter within ten (10) days from the
15 time such loss or damage occurred. No action on any loss shall be
16 begun until the date when such loss becomes due in accordance with
17 the articles of incorporation or by-laws of such association and in no
18 event sooner than forty (40) days after such proof has been given
19 to the association and no action can be started after one year from the
20 date such cause of action accrues.

1 "SEC. 7. Presumption in re value—rebuttal. In any action brought
2 in any court in this state on any policy of insurance for the loss of any
3 building so insured, the amount stated in the policy shall be received
4 as prima facie evidence of the insurable value of the building at the
5 date of the policy: Provided, the association issuing such policy may
6 show the actual value of said property at date of policy, and any de-
7 preciation in the value thereof before the loss occurred; but the said
8 association shall be liable for the actual value of the property insured
9 at the date of the loss, unless such value exceeds the amount of insur-
10 ance stated in the policy. And in any action on a policy to recover
11 loss or damage on personal property, the association shall not be li-
12 able in excess of the amount of damage or loss at the time the loss or
13 damage occurs; provided that the value of growing crops may be
14 stated in the policy or contract.

1 "SEC. 8. Powers of commissioner—quo warranto—injunction
2 —dissolution. The commissioner of insurance may address inquiries
3 to any association in relation to its doings and condition and any asso-
4 ciation so addressed shall promptly reply thereto in writing. If the
5 commissioner of insurance is then satisfied that the association has
6 failed to comply with any provisions of this law, or is exceeding its
7 powers, or is not carrying out its contracts in good faith; or is trans-
8 acting business fraudulently or soliciting insurance in territories
9 where it is not legally admitted to do business, or is in such condition
10 as to render the further transaction of business by it hazardous to the
11 public or its policyholders, the business under his supervision and
12 with the consent of the association may be reinsured in some mutual
13 association, or he may present the facts relating thereto to the attorney
general and if the circumstances warrant he may commence an action

14 in quo warranto in a court of competent jurisdiction and such court
15 shall thereupon notify the officers of such association of a hearing,
16 and unless it shall then appear that some special and good reason
17 exists why such association should not be closed, said association
18 shall be enjoined from carrying on any further business, and some
19 person shall be appointed receiver of such associations and shall pro-
20 ceed at once to take possession of the books, papers, moneys and other
21 assets of the association and shall forthwith, under the direction of
22 the court proceed to close the affairs of the association and to distrib-
23 ute its funds to those entitled thereto, or he may make an assessment
24 pro rata on the membership liable to an assessment to pay the legiti-
25 mate debts of the association.

1 **“SEC. 9. Cancellation of policy.** Any policy of insurance issued
2 by any association operating under the provisions of this chapter may
3 be cancelled by the association giving five (5) days' written notice
4 thereof to the insured, or if the insured shall demand in writing or in
5 person of the association the cancellation of policy, the association
6 shall immediately advise him by letter to last known address, the
7 amount, if any, due, as his pro rata share of losses and in addition
8 actual expenses incurred on said policy. Upon surrender of his policy
9 and payment of all sums due, his membership shall cease, provided,
10 that during the months of June, July and August, hail insurance poli-
11 cies may be cancelled only at the option of the officers of the associa-
12 tion carrying the risk. Upon the cancellation of any policy of insur-
13 ance issued under the provisions of this act all obligations to the asso-
14 ciation having been paid, the unearned portion of any advance assess-
15 ment paid, other than the emergency fund, shall be returned to the
16 insured upon the surrender of his policy, the association retaining a
17 pro rata share for losses and in addition actual expenses incurred on
18 said policy. When the policy is cancelled by the association by giving
19 notice thereof it shall retain only the pro rata assessment.

1 **“SEC. 10. Bonds of officers.** Any state mutual assessment asso-
2 ciation contemplated by this chapter, before being authorized to do
3 business in this state, shall require its secretary and treasurer to give
4 bond, personal or surety, to the association in such sums as the direc-
5 tors shall deem sufficient, no less however, than ten thousand dollars
6 (\$10,000) for each office, which bond after being approved by the
7 president of the association shall be deposited with the commissioner
8 of insurance as security for the faithful performance of the duties of
9 the secretary and treasurer in handling the funds of the association.
10 Should the commissioner of insurance find the surety on said bonds,
11 or the amount thereof, insufficient, he may require additional security,
12 or an increase in the amount of the bond. If such additional security
13 or increase be not furnished within thirty (30) days after notice
14 thereof, the commissioner of insurance shall refer the matter to the
15 attorney general the same as under section 8, of this chapter, and
16 shall be taken care of by him in accordance therewith.

1 **“SEC. 11. Meetings—powers—articles part of policy.** Unless the
2 time and place of holding the annual meeting of the members of any
3 association transacting business under the provisions of this chapter
4 is plainly stated in their articles of incorporation or by-laws, twenty
5 (20) days' notice of the time and place of holding of said meetings

6 shall be given to all members of the association. Members of the as-
 7 sociation at such annual meetings shall have power to make or amend
 8 articles of incorporation or by-laws as they in their judgment may
 9 deem necessary, and when such articles of incorporation and by-laws
 10 are printed on the policy they become a part thereof and are binding
 11 upon the association and the insured alike. Officers shall be elected in
 12 the manner prescribed in the articles of incorporation or by-laws.
 13 Annual meetings may adjourn from time to time.

“SEC. 12. ~~Annual tax—examinations—expenses—county mu-~~
 1 ~~tuals.~~ Every state mutual association doing business under this
 2 chapter shall on or before the first day of March, each year, pay to
 3 the treasurer of state a sum equivalent to one per centum of the gross
 4 receipts from premiums, assessments, fees and promissory obliga-
 5 tions for business done within the state, including all insurance upon
 6 property situated in the state after deducting the amount actually
 7 paid for losses on property located within this state and the amount
 8 returned upon cancelled policies and rejected applications covering
 9 property situated within the state and the amount paid for reinsur-
 10 ance on property situated within the state. The commissioner of in-
 11 surance shall at least once in each biennial period cause the books of
 12 each state mutual association doing business under this chapter to
 13 be examined and shall furnish a report of such examination to the as-
 14 sociation so examined. The expense of such examination shall be paid
 15 by the association as provided for in section eighteen hundred twenty-
 16 one-c (1821-c), supplement to the code, 1913, (C. C. Sec. 5470).
 17 County mutual associations shall be exempt from the examination and
 18 the payment of tax provided for in this section.

1 “SEC. 13. ~~Moneys and credits.~~ In assessing for taxation the mon-
 2 eys and credits of such mutual insurance corporations, the assessor
 3 shall ascertain the debts or liabilities, if any, of the corporation to
 4 its policyholders or other persons which liabilities shall be deducted
 5 as provided in section 1311 of the code. In ascertaining such corpor-
 6 ate indebtedness, a debt shall be deemed to exist on account of its
 7 liabilities on the policy certificates or contracts of insurance issued
 8 by its equal to the amount of surplus or other funds accumulated by
 9 such corporation for the purpose of fulfilling its policy contracts of
 10 insurance and which can be used for no other purpose.

1 “SEC. 14. ~~Annual fees.~~ Such associations shall pay the same fees
 2 for annual reports and annual certificates of authority as are required
 3 to be paid by domestic companies organized and doing business under
 4 the preceding chapter, which certificates shall expire March 1st of the
 5 year following the date of its issue.

1 “SEC. 15. ~~License—penalty—fee—revocation.~~ No person or cor-
 2 poration shall solicit any application for insurance for any associa-
 3 tion, other than county mutuals, in this state without having procured
 4 from the commissioner of insurance a license authorizing him to act
 5 as agent. Violation of this provision shall be punished by a fine not
 6 exceeding twenty-five dollars (\$25.00) per day. The commissioner
 7 of insurance shall upon the receipt of payment of fifty cents (50c)
 8 issue license to act as agent to any person for whom a license is re-
 9 quested by any association doing business under the provisions of

10 this chapter. The commissioner of insurance may, for a just and
 11 reasonable cause, cancel the license of such agent after due notice
 12 and hearing.

1 "SEC. 16. Repeal clause. That section seventeen hundred fifty-
 2 nine-a (1759-a), supplement to the code, 1913, and all sections to and
 3 including section seventeen hundred fifty-nine-o (1759-o), supplement
 4 to the code, 1913 (C. C. Secs. 5682 to 5696), and all amendments
 5 thereto, be and the same are hereby repealed.

Approved April 5, A. D. 1921.

CHAPTER 121

ASSESSORS

H. F. 466.

AN ACT to amend section thirteen hundred fifty-nine of the code, (C. C. Sec. 4589), relating to mileage of assessors.

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

1 SECTION 1. Mileage. That the law as it appears in section thir-
 2 teen hundred fifty-nine of the code, (C. C. Sec. 4589), be and the
 3 same is hereby amended by striking out the word "six" in line eight
 4 (8), thereof, and inserting the word "ten" in lieu thereof.

Approved April 5, A. D. 1921.

CHAPTER 122

CO-OPERATIVE ASSOCIATIONS

S. F. 503.

AN ACT to provide for the organization of associations without capital stock and not for pecuniary profit.

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

1 SECTION 1. Authorization—purposes. Any number of persons,
 2 not less than five (5), may associate themselves as a co-operative
 3 association, without capital stock, for the purpose of conducting any
 4 agricultural, livestock, horticultural, dairy, mercantile, mining, man-
 5 ufacturing or mechanical business on the co-operative plan and of
 6 acting as a co-operative selling agency for its members.

1 SEC. 2. Terms defined—non-members. For the purposes of this
 2 act, the words "association," "exchange," "society," or "union," shall
 3 be construed to mean the same and are defined to mean a corporate
 4 body composed of actual producers or consumers of the given com-
 5 modity handled by the association, whose business is conducted for
 6 the mutual benefit of its members and not for the profit of stock-