

CHAPTER 180

INSURANCE

H. F. 640

AN ACT to amend section seventeen hundred forty-six (1746) of the code (C. C. 5662), relating to insurance other than life.

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

1 SECTION 1. Coinsurance clause invalid—exceptions. That the law  
2 as it appears in section seventeen hundred forty-six (1746) of the  
3 code (C. C. 5662) be and the same is hereby repealed and the following  
4 enacted in lieu thereof:

5 "Any provisions, contract or stipulation contained in any policy of  
6 insurance, issued by any insurance company doing business in the  
7 state under the provisions of this chapter, providing or stipulating  
8 that the insured shall maintain insurance on any property covered by  
9 such policy to any extent, or shall to any extent be an insurer of the  
10 property insured in such policy, or shall bear any portion of the loss  
11 on the property insured, shall be void; and the commissioner of insur-  
12 ance shall refuse to authorize any such company to do business or to  
13 renew the authority or the certificate of any such company when the  
14 form of policy issued or proposed to be issued contains any such pro-  
15 vision, contract or stipulation; provided, that upon the written request  
16 of any person desiring insurance, a rider providing for coinsurance  
17 may be attached to and become a part of the policy, but in no case  
18 shall such rider apply to dwellings or farm property. The request  
19 for the application of the coinsurance clause or rider to any policy  
20 of insurance shall be written or printed on a single sheet of paper  
21 which shall contain nothing but the request hereinafter set out, and  
22 said request must be signed by the insured and a copy thereof be left  
23 with him by the agent at the time the insurance is applied for. No  
24 form of request for coinsurance except the following shall be used by  
25 any company doing business within this state:

26 REQUEST FOR THE APPLICATION OF THE COINSURANCE  
27 CLAUSE.

28 In consideration of a reduction from the established rate of.....  
29 per cent to..... per cent in premiums to be paid to the.....  
30 Insurance Company for insurance upon the following described prop-  
31 erty.....I hereby request that  
32 a coinsurance rider be attached to the policy to be issued by said com-  
33 pany, and hereby agree that during the life of the policy I will maintain  
34 insurance of the character mentioned in said policy upon said prop-  
35 erty, to the extent of at least.....per cent of the actual cash  
36 value thereof at the time of loss, and that failing to do so, I shall  
37 become a coinsurer to the extent of such deficit.

38 Before signing this request or the coinsurance rider to be attached  
39 to the policy to be issued, I carefully read each of them and fully  
40 understand that in case I shall fail to maintain insurance of the char-  
41 acter mentioned in the policy on the previously described property to  
42 the extent above provided, then in the event of loss or damage this  
43 company shall not be liable for a greater per cent of the loss or dam-

44 age to said property than the total amount of insurance maintained  
 45 bears to.....per cent of the actual cash value of the property  
 46 insured at the time of loss. Date.....Insured.

47 The coinsurance rider to be used shall be signed by both the agent  
 48 and the insured, and a copy thereof shall be left with the insured at  
 49 the time the application is made for insurance. The rider shall be  
 50 in form and restrictions as follows:

51 IOWA COINSURANCE AND REDUCED RATE CLAUSE.

52 (This clause must be signed by both the insured and the agent)

53 In consideration of the acceptance by the insured of a reduction in  
 54 premiums from the established rate of.....per cent to.....  
 55 per cent, it is hereby agreed that the insured shall maintain insurance  
 56 during the life of this policy upon the property insured, to the extent  
 57 of at least.....per cent of the actual cash value thereof at  
 58 the time of loss, and, that failing to do so, the insured shall be a  
 59 coinsurer to the extent of such deficit.

60 This clause, at the request of the insured, is attached to and forms  
 61 part of policy number.....of the.....  
 62 Insurance Company of....., and shall in no  
 63 case apply to dwellings or farm property.

64 .....Insured  
 65 Date.....Agent

66 No condition or stipulation in a policy of insurance fixing the amount  
 67 of liability or recovery under such policy with reference to prorating  
 68 with other insurance on property insured shall be valid except as to  
 69 other valid and collectible insurance, any agreement to the contrary  
 70 notwithstanding.

71 The request and the rider hereinbefore referred to shall only be  
 72 permitted to be used in connection with insurance contracts issued in  
 73 this state against the hazards of fire, lightning, tornadoes, cyclones,  
 74 windstorms and sprinkler leakage."

Approved April 20, A. D. 1923.

## CHAPTER 181

### INSURANCE

S. F. 631

AN ACT to amend title nine (IX) chapter five (V), of the code, (C. C. title 18, chapter 8), relating to venue of actions to collect assessments levied to pay losses by hailstorms.

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

1 SECTION 1. Venue. That title nine (IX), chapter five (V) of the  
 2 code, (C. C. title 18, chapter 8), be amended by adding thereto the  
 3 following:

4 Actions to collect assessments from any member of an association  
 5 organized to insure against losses by hailstorm shall be brought in