

CHAPTER 228

INVESTMENT OF INSURANCE FUNDS

AN ACT to amend the law as it appears in section eighty-nine hundred and twenty-seven (8927) of the code of 1927, relating to the investment of funds of insurance companies other than life.

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

1 SECTION 1. Section eighty-nine hundred twenty-seven (8927) of
2 chapter four hundred four (404), title twenty (20), code of Iowa,
3 1927, is hereby repealed and the following enacted in lieu thereof:

4 "Any company organized under the provisions of this chapter shall
5 invest its capital and funds in the following described securities and
6 no other.

7 1. The bonds of the United States or federal farm loan bonds
8 issued under the provisions of the act of congress relative thereto
9 approved July 17, 1926, and bonds issued or guaranteed by the
10 Dominion of Canada.

11 2. The bonds of this or any other state of the United States and
12 bonds issued by any of the provinces of the Dominion of Canada.

13 3. Bonds or other evidences of indebtedness of any county, city,
14 town, or school district within this or any of the states of the United
15 States, drainage district bonds of this state, improvement certificates
16 issued by any municipal corporation of this state, such certificates
17 being a first lien upon real estate within the corporate limits of the
18 municipality issuing the same, where such bonds or other evidences
19 of indebtedness are issued by authority of and according to law and
20 bearing interest.

21 4. Mortgages and other interest bearing securities being first liens
22 upon real estate within this or any other state of the United States
23 worth at least double the amount loaned thereon and secured thereby.
24 Improvements shall not be considered in estimating value unless the
25 owner shall contract to keep the same insured in a reliable fire insur-
26 ance company or companies, association or associations authorized
27 to transact business in this state, during the life of the loan in a sum
28 at least equal to the excess of the loan above one-half of the value of
29 the ground, exclusive of improvements, the insurance to be made
30 payable in case of loss to the company or association investing its
31 funds as its interests may appear at the time of loss. Any mortgage
32 lien upon real estate shall not for the purpose of this section be held
33 or construed to be other than a first lien, by reason of the fact that
34 drainage or other improvement assessments may have been levied
35 against the real estate covered by said mortgage whether the install-
36 ment of said assessments be matured or not, provided that in deter-
37 mining the value of such real estate for loan purposes the amount of
38 drainage or other assessment tax unpaid shall be first deducted.

39 5. Real estate bonds which are first lien upon real estate within
40 this or any other state of the United States, provided the outstanding
41 indebtedness against the property does not exceed sixty per cent
42 (60%) of the reasonable value thereof and provided further that the
43 average earnings of the property are at least two and one-half (2½)

44 times the interest requirements of all outstanding bonds and indebted-
45 ness.

46 6. Not to exceed twenty per cent of such capital and funds in
47 stocks, other than bank stock or the company's own stock, and/or
48 bonds or other evidences of indebtedness of any solvent dividend pay-
49 ing corporation organized under the laws of any of the states of the
50 United States, provided that no company may invest an amount in
51 excess of ten per cent (10%) of the surplus of the company in the
52 stock and/or bonds of any one corporation.

53 7. Any loans secured by collateral security consisting of any
54 securities enumerated in this act, provided there is a margin of ten
55 per cent (10%) between the amount of the loan and the value of the
56 securities."

Senate File No. 192. Approved April 18, A. D. 1929.

CHAPTER 229

INSURANCE AGAINST AIRCRAFT DAMAGE

AN ACT to amend section eighty-nine hundred forty (8940) of the code, 1927, to permit insurance of buildings and other property against loss or damage caused by airplanes, seaplanes, dirigibles, or other aircraft.

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

1 SECTION 1. Section eighty-nine hundred forty (8940) of the code,
2 1927, is hereby amended by changing the period at the end of sub-
3 section one (1) thereof to a semi-colon and adding thereto the fol-
4 lowing:

5 "and also against loss or damage caused by airplanes, seaplanes,
6 dirigibles or other aircraft".

House File No. 531. Approved April 16, A. D. 1929.

CHAPTER 230

CREDIT INSURANCE

AN ACT to amend the law as it appears in subsection eight (8) of section eighty-nine hundred forty (8940) of the code of Iowa, relating to the subject of credit insurance.

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

1 SECTION 1. That the law as it appears in subsection eight (8) of
2 section eighty-nine forty (8940) of the code of Iowa, be and the same
3 is hereby amended by adding at the end of the subsection the follow-
4 ing words:

5 "Such coinsurance percentages shall be deducted in advance of the
6 agreed normal loss from the gross covered loss sustained by the in-
7 sured."

Senate File No. 259. Approved April 18, A. D. 1929.