

CHAPTER 155

INSURANCE. HAIL ASSOCIATIONS

H. F. 397

AN ACT to amend section ninety hundred fifty-five (9055), and to repeal section ninety hundred forty-three (9043), code, 1931, and to enact a substitute in lieu thereof relating to associations engaged in the writing of hail insurance and to provide for limited assessments; to fix time of closing books, the minimum percentage which shall be returned to members through payment of losses and dividends from the income for each year; to provide for contributions to an emergency or surplus fund, and to provide the date on which hail losses shall be due and payable.

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

1 SECTION 1. Section ninety hundred forty-three (9043), code, 1931,
2 is hereby repealed and the following enacted in lieu thereof:

3 "Associations engaged in writing hail insurance may, as concerns
4 such insurance, provide in their by-laws and policies for a limited
5 assessment in any one year.

6 "The books of any association which relate to hail insurance busi-
7 ness shall be closed and balanced as of the thirty-first day of December
8 of each year, and the aggregate amount of assessments and other
9 sums paid by the members during the year, and the aggregate amount
10 of losses paid including those in the process of adjustment sustained
11 during the year, shall be ascertained.

12 "Not less than fifty per cent of such aggregate amount of assess-
13 ments, and other sums paid by the members shall be returned to the
14 members, either through the payment of losses or through dividends,
15 to be credited on the assessments required for the succeeding year,
16 or, at the discretion of the board of directors, may be set aside in the
17 emergency fund as defined in section ninety hundred forty (9040),
18 code, 1931, but no sum less than forty per cent of such aggregate
19 assessments, and other sums paid by the members, shall be returned
20 to the members through payment of such losses or dividends.

21 "In the event that losses sustained exceed a sum equal to fifty per
22 cent of such aggregate assessments and other sums paid by the mem-
23 bers, such losses shall be paid from any emergency or surplus funds
24 then in existence, and if the total funds available for the payment of
25 losses is insufficient to pay such losses, such funds shall be prorated
26 among the members sustaining such losses.

27 "Such losses shall be due and payable on or before the twentieth
28 day of January of the year succeeding that in which they occur, except
29 such as may be then in dispute or litigation."

1 SEC. 2. Section ninety hundred fifty-five (9055), code, 1931, is
2 hereby amended by inserting "May," after the word "of" in line nine
3 (9), and by striking the period (.) at the end of said section and
4 adding thereto the following:

5 "on or before the first day of April in each calendar year a member
6 of any mutual hail insurance association doing business in Iowa may
7 cancel his membership and contract or policy of insurance on which
8 at least one annual assessment has been paid and upon which at the
9 time no assessment is past due in such association without being re-
10 quired to pay anything therefor; and it shall be considered that no

11 liability for insurance risks or for expenses shall attach against such
 12 member in that particular year if he shall cancel his contract and
 13 membership on or before April 1."

House File No. 397. Approved April 24, 1933.

CHAPTER 156

BANKS. CONTROL BY BANKING SUPERINTENDENT

S. F. 111

AN ACT amendatory to chapter 412, title 21 of the code, 1931, extending the right of the superintendent of banking to take possession of banking institutions without insolvency proceedings and to protect the debtors and creditors of such institutions and to reorganize or operate the same as shall be set forth herein.

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

1 SECTION 1. The superintendent of banking shall, upon application
 2 of the officers or directors of any state bank, savings bank or trust
 3 company or private bank doing a banking business, have the power,
 4 with the consent of the executive council or of the governor or of
 5 the lieutenant governor, to take over the management of any such
 6 bank and may, at his discretion, manage the same either by its offi-
 7 cers or a part thereof or by any suitable person or persons he may
 8 select for such purpose. Such management, however, not to exceed
 9 beyond one year from the taking possession except with the consent
 10 of the executive council. During the period of such management and
 11 possession by the superintendent of banking, all the remedies at law
 12 or in equity of any creditor or stockholder against any such bank or
 13 trust company shall be suspended, and the statute of limitations
 14 against such claims shall be tolled during such period.

1 SEC. 2. The superintendent of banking, whenever he shall have
 2 taken over the management of any such banking institution as pro-
 3 vided in section 1, shall have the right and power, with the approval
 4 of the executive council, to proceed to wind up its affairs as provided
 5 by law; or may continue the operation of the same, holding all de-
 6 posits in the same, taking in deposits and carrying on the same under
 7 such rules and regulations as he may make for the conduct of its
 8 business and deem for the best interest of the debtors and creditors
 9 of such institution, including the right to compromise any rights,
 10 claims and liabilities of such institution. If such institution is kept
 11 open for business under the management of the banking department,
 12 and new deposits are received, such deposits shall be segregated, and
 13 any new assets acquired on account of such deposits shall be segre-
 14 gated and held in trust especially for such new deposits.

1 SEC. 3. However, if in the opinion of the superintendent of bank-
 2 ing it is deemed advisable to reorganize any banking institution as
 3 set out in section 1 hereof, he shall, with the approval of the executive
 4 council, have power so to do on such terms and conditions as he may
 5 prescribe, including the right to issue stock upon such conditions as