

1 SEC. 11. Section five hundred seven B point nine (507B.9), Code
2 1971, is repealed.

Approved April 21, 1972.

CHAPTER 1112

DEFERRED COMPENSATION FOR GOVERNMENTAL EMPLOYEES

S. F. 470

AN ACT relating to deferred compensation for governmental employees.

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

1 SECTION 1. Chapter five hundred nine A (509A), Code 1971, is
2 amended by adding the following new section:

3 "At the request of an employee the governing body shall by con-
4 tractual agreement acquire an individual or group life insurance con-
5 tract, annuity contract, security or any other deferred payment con-
6 tract for the purpose of funding a deferred compensation program for
7 an employee, from any company the employee may choose that is
8 authorized to do business in this state and from any life underwriter
9 duly licensed by this state or from any securities dealer or salesman
10 registered in this state to contract business in this state. The deferred
11 compensation program shall be administered so that the state comp-
12 troller or his designees may remit one sum for the entire program
13 according to a single billing.

14 The provisions of this Act shall be in addition to any benefit pro-
15 gram provided by law for any employees of the state or any of its
16 political subdivisions."

Approved April 22, 1972.

CHAPTER 1113

IOWA INSURANCE GUARANTY ASSOCIATION

H. F. 1089

AN ACT relating to the Iowa Insurance Guaranty Association.

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

1 SECTION 1. Section five hundred fifteen B point one (515B.1), Code
2 1971, is amended to read as follows:

3 **515B.1 Scope.** This chapter shall apply to all kinds of direct
4 insurance *authorized to be written by an insurer licensed to operate*
5 *in this state under chapter 515 or chapter 520, except life, title, surety,*

6 fidelity,* disability *including accident and health*, credit, mortgage
7 guaranty, and ocean marine insurance.

1 SEC. 2. Section five hundred fifteen B point two (515B.2), Code
2 1971, is amended by striking the section and inserting in lieu thereof
3 the following:

4 **515B.2 Definitions.** As used in this chapter unless the context
5 otherwise requires:

6 1. "Association" means the Iowa insurance guaranty association
7 created pursuant to section five hundred fifteen B point three (515B.3).

8 2. "Commissioner" means the commissioner of insurance of this
9 state.

10 3. "Covered claim" means an unpaid claim, including one for un-
11 earned premiums, which arises out of and is within the coverage of
12 an insurance policy to which this chapter applies issued by an insurer,
13 if such insurer becomes an insolvent insurer after July 1, 1970, and
14 one of the following conditions exists:

15 a. The claimant or insured is a resident of this state at the time of
16 the insured event.

17 b. The property from which the claim arises is permanently located
18 in this state.

19 Such term does not include any amount due any reinsurer, insurer,
20 insurance pool, or underwriting association, as subrogation recover-
21 ies or otherwise.

22 4. "Insurer" means an insurer licensed to transact insurance busi-
23 ness in this state under either chapter five hundred fifteen (515) or
24 chapter five hundred twenty (520), either at the time the policy was
25 issued or when the insured event occurred. It shall not include county
26 or state mutual assessment associations licensed under chapter five
27 hundred eighteen (518) or chapter five hundred eighteen A (518A),
28 or fraternal beneficiary societies, orders or associations licensed under
29 chapter five hundred twelve (512), or corporations operating nonprofit
30 service plans under chapter five hundred fourteen (514), or life insur-
31 ance companies or life, accident or health associations licensed under
32 chapter five hundred eight (508) or chapter five hundred ten (510).

33 5. "Insolvent insurer" means an insurer as herein defined which
34 has been determined to be insolvent by a court of competent juris-
35 diction.

36 6. "Net direct written premiums" means direct gross premiums
37 written in this state on insurance policies to which this chapter
38 applies, less return premiums and dividends paid or credited to policy-
39 holders on such direct business. Such term does not include premiums
40 on contracts between insurers or reinsurers.

41 7. "Person" means any individual, corporation, partnership, associ-
42 ation, or voluntary organization.

1 SEC. 3. Section five hundred fifteen B point three (515B.3), Code
2 1971, is amended to read as follows:

3 **515B.3 Creation of the association.** There is created a nonprofit
4 unincorporated legal entity to be known as the Iowa insurance guar-
5 anty association. All ~~member~~ insurers as defined in section 515B.2,

*Amendment not indicated in enrolled Act.

6 subsection 5* shall be and remain members of the association as a
 7 condition of their authority to transact insurance in this state. The
 8 association shall perform its functions under a plan of operation
 9 established and approved pursuant to section 515B.6 and shall exer-
 10 cise its powers through a board of directors established under section
 11 515B.4. *Except as otherwise provided in such plan of operation,*
 12 *annual or special meetings of members of the association may be held*
 13 *on call as directed by the association's board of directors or by the*
 14 *commissioner of insurance, upon not less than ten days' written notice*
 15 *by ordinary mail to each member at the member's principal office as*
 16 *shown by the records in the commissioner's office, specifying the time*
 17 *and place, and in the case of a special meeting, the purpose, of the*
 18 *meeting. Members may vote in person or by proxy and ten members*
 19 *present in person or by proxy shall constitute a quorum for the trans-*
 20 *action of any business.*

1 SEC. 4. Section five hundred fifteen B point four (515B.4), un-
 2 numbered paragraph one (1), Code 1971, is amended to read as fol-
 3 lows:

4 The board of directors of the association shall consist of not less
 5 than five nor more than nine persons serving terms as established in
 6 the plan of operation. The members of the board shall be selected by
 7 member insurers subject to the approval of the commissioner. Vacan-
 8 cies on the board shall be filled for the remaining period of the term
 9 ~~in the same manner as initial appointments by majority vote of the~~
 10 *remaining directors, subject to the approval of the commissioner.* If
 11 no members are selected within sixty days after July 1, 1970, the
 12 commissioner may appoint the initial members of the board of direc-
 13 tors.

1 SEC. 5. Section five hundred fifteen B point seven (515B.7), sub-
 2 section three (3), Code 1971, is amended to read as follows:

3 3. Any final action, *decision* or order of the commissioner under this
 4 chapter shall be subject to judicial review in the Polk county district
 5 court *by writ of certiorari on petition of any aggrieved person filed*
 6 *within thirty days after the taking of such final action or the entry*
 7 *of the decision or order appealed from. The court may stay the effect*
 8 *of the action, decision, or order pending the appeal. The appeal shall*
 9 *be heard on the record before the commissioner together with such*
 10 *additional evidence as any party may produce. The court shall hear*
 11 *the matter de novo and may modify, affirm, or reverse the action,*
 12 *decision, or order appealed from in whole or in part.*

1 SEC. 6. Chapter five hundred fifteen B (515B), Code 1971, is
 2 amended by adding the following new section:

3 "Actions against the association. Actions against the association
 4 shall be brought against it in its own name in the Polk county district
 5 court. Service of original notice in actions against the association
 6 may be made on any officer thereof or upon the commissioner of insur-
 7 ance on its behalf. The commissioner shall promptly transmit any
 8 notice so served upon him to the association."

Approved March 24, 1972.

*"4" probably intended.