

CHAPTER 168
LIFE INSURANCE INVESTMENTS
S. F. 201

AN ACT relating to the conditions and limitations applicable to investments by life insurance companies and associations in indebtedness secured by interests in real property.

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

Section 1. Section 511.8, subsection 9, paragraph a, Code 1981, is amended to read as follows:

9. REAL ESTATE BONDS AND MORTGAGES.

a. Bonds, notes, obligations, or other evidences of indebtedness secured by mortgages or deeds of trust which are a first or second lien upon otherwise unencumbered real property and appurtenances thereto within the United States of America, or any insular or territorial possession of the United States, or the Dominion of Canada, and upon leasehold estates in real property where fifty years or more of the term including renewals is unexpired, provided that at the date of acquisition the total indebtedness secured by such the first or second lien shall not exceed seventy-five ninety percent of the value of the property upon which it is a lien. However, a company or organization shall not acquire an indebtedness secured by a first or second lien upon a single parcel of real property, or upon a leasehold interest in a single parcel of real property, in excess of two percent of its legal reserve. These limitations ~~shall do~~ not apply to obligations described in paragraphs "b", "c", "d", "e" and "f" of this subsection.

Improvements and appurtenances to real property shall not be considered in estimating the value of the property unless the owner ~~shall contract~~ contracts to keep the same property adequately insured during the life of the loan in some reliable fire insurance ~~company--or~~ companies, ~~association~~ or associations, the insurance to be made payable in case of loss to the mortgagee, trustee, or ~~assigns~~ assignee as its interest ~~may appear~~ appears at the time of the loss.

~~Provided-further-that-for~~ For the purpose of this subsection a mortgage or deed of trust ~~shall is not be deemed to be~~ other than a first or second lien upon property ~~within--the--meaning--of--this--subsection~~ by reason of the existence of taxes or assessments that are not delinquent, instruments creating or reserving mineral, oil, or timber rights, rights of way, joint driveways, sewer rights, rights in walls or by reason of building restrictions or other like restrictive covenants, or when ~~such the~~ real estate is subject to lease in whole or in part whereby rents or profits are reserved to the owner.

Approved March 13, 1981