

Sec. 3. Section 349.17, Code 1985, is amended to read as follows:

349.17 COST.

The cost of official publications provided for in section 349.16 shall not exceed ~~three-fifths~~ the legal fee provided by statute three-fourths of the fee provided in section 618.11 for the publication of legal notices. ~~No such~~ An official publication shall not be printed in type smaller than ~~five~~ six point.

Sec. 4. Section 618.3, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

618.3 "NEWSPAPER" DEFINED.

For the purpose of establishing and giving assured circulation to all notices and reports of proceedings required by statute to be published within the state, if newspapers are required to be used, only a newspaper which meets all of the following requirements shall be designated for official publication purposes:

1. Is a newspaper of general circulation issued at a regular frequency that has been published within the area and regularly mailed through the post office of entry for at least two years.
2. Has a list of subscribers who have paid, or promised to pay, at more than a nominal rate, for copies to be received during a stated period.
3. Devotes at least twenty-five percent of its total column space in more than one-half of its issues during any twelve-month period to information of a public character other than advertising.
4. Is paid for by at least fifty percent of the persons or subscribers to whom it is distributed.

Sec. 5. Section 618.11, Code 1985, is amended to read as follows:

618.11 FEES FOR PUBLICATION.

The compensation, when not otherwise fixed, for the publication in a newspaper of any notice, order, citation, or other publication required or allowed by law, shall not exceed twenty-six cents for one insertion, and seventeen cents for each subsequent insertion, for each line of eight-point type two inches in length, or ~~the its equivalent thereof~~. Publication of matter which may be photographically reproduced for printing instead of typeset shall be compensated at a rate not to exceed the lowest available earned rate for any similar advertising matter. Statements of itemized financial and other like columnar matter shall be published in tabular form without additional compensation. In case of controversy or doubt regarding measurements, style, manner, or form, the controversy is shall be referred to the executive council, and its decision is final.

Sec. 6. **NEW SECTION. 618.16 ZONED EDITIONS OF SAME NEWSPAPER.**

Publication requirements for governmental subdivisions of the state shall be deemed satisfied when publication is made in editions or zoned editions which are delivered to an area comprising the jurisdiction of the subdivision making the publication even though publication is not made in other editions of the same newspaper delivered to other areas of the state.

Approved May 6, 1986

CHAPTER 1184

IOWA INSURANCE GUARANTY ASSOCIATION

H.F. 2354

AN ACT relating to the Iowa insurance guaranty association.

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

Section 1. Section 22.7, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 21. Reports or recommendations of the Iowa insurance guaranty association filed or made pursuant to section 515B.10, subsection 1, paragraph "a", subparagraph (2).

Sec. 2. Section 515B.1, Code 1985, is amended to read as follows:

515B.1 SCOPE.

This chapter shall apply to all kinds of direct insurance authorized to be written by an insurer licensed to operate in this state under chapter 515 or chapter 520, except life, title, surety, fidelity, disability including accident and health, credit, mortgage guaranty, and ocean marine insurance, financial guaranty or other forms of insurance offering protection against investment risk, or any transaction which, although denominated as insurance, does not result in the transfer of an insurance risk.

Sec. 3. Section 515B.2, subsection 3, unnumbered paragraph 1, Code 1985, is amended to read as follows:

"Covered claim" means an unpaid claim, including one for unearned premiums, which arises out of and is within the coverage and is subject to the applicable limits of an insurance policy to which this chapter applies issued by an insurer, if such insurer becomes an insolvent insurer after July 1, 1970, and one of the following conditions exists:

Sec. 4. Section 515B.2, subsection 3, paragraph a, Code 1985, is amended to read as follows:

a. The claimant or insured is a resident of this state at the time of the insured event. Other than an individual, the residence of the claimant or insured is the state in which its principal place of business is located.

Sec. 5. Section 515B.2, subsection 3, paragraph b, unnumbered paragraph 2, Code 1985, is amended to read as follows:

Covered claim shall does not include any an amount due any reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries or otherwise, a policy deductible or self-insured portion of the claim, a claim for unearned premium calculated on a retrospective or experienced rated plan, or premiums subject to adjustment after the date of liquidation nor shall covered claim include any amount due an attorney or adjuster as fees for services rendered to the insolvent insurer. This paragraph shall does not prevent any a person from filing such presenting the excluded claim with to the insolvent insurer or its receiver liquidator, but such the claim shall not be asserted against the insured of the insolvent insurer any other person, including the person to whom benefits were paid or the insured of the insolvent insurer, except to the extent that such the claim exceeds is outside the coverage of the policy issued by the insolvent insurer.

Sec. 6. Section 515B.5, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. Be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within thirty days after the determination of insolvency, or before the policy expiration date if less than thirty days after the determination, or before the insured replaces the policy or on request effects cancellation if the insured does so within thirty days of the determination. This obligation shall include includes only that the amount of each a covered claim which is in excess of one hundred dollars and less than five three hundred thousand dollars, except that for all damages arising out of any one accident, occurrence, or incident regardless of the number of persons making claims. However, the association shall pay the full amount of any a covered claim arising out of a workers' compensation policy. In no event shall addition, the association be obligated to a policyholder or claimant in is not liable for an amount in excess of the specified limits of the a policy, from which the claim arises regardless of the theory under which or the type of damages for which the association is alleged to be liable.

Sec. 7. Section 515B.9, Code 1985, is amended to read as follows:

515B.9 NONDUPLICATION OF RECOVERY.

1. Any person having a claim against the person's insurer, under any provision in the person's insurance policy, which is also a covered claim shall be required to exhaust first under another policy, which claim arises out of the same facts which give rise to a covered claim, shall be first required to exhaust the person's right under the policy. Any amount recovered or recoverable by a person under another insurance policy shall be credited against the policy limits of the policy of the insolvent insurer before computing the amount of any covered claim liability of the association under section 515B.5, subsection 1, paragraph "a". For purposes of this section, another insurance policy means a policy issued by any insurance company, whether a member insurer or not, which policy insures against any of the types of risks set forth in section 515.48, except those types of risks set forth in section 515.48, subsection 5, paragraph "a", and except those types of risks set forth in chapters 508 and 514.

2. Any A person having a claim which may be recovered under more than one insurance guaranty association or its equivalent shall seek recovery first from the association of the place of residence of the insured. However, if such the claim is a first party claim for damage to property with a permanent location, recovery shall be first sought from the association of the location of the property; and if such. If the claim is a workers' compensation claim, recovery shall be first sought from the association of the residence of the claimant. Any recovery under this chapter shall be reduced by the amount of the recovery from any other insurance guaranty association or its equivalent. A person shall not recover any amount of the person's claim against the insured in excess of the amount recovered or recoverable from the association except to the extent the claim exceeds the policy limits of the insolvent insurer. Any sums recovered from any other guaranty association or equivalent organization shall be subtracted from the maximum liability of the association under section 515B.5, subsection 1, paragraph "a".

Sec. 8. Section 515B.10, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

515B.10 PREVENTION OF INSOLVENCIES.

1. a. To aid in the detection and prevention of insurer insolvencies the board of directors, upon majority vote, may do either of the following:

(1) Make recommendations to the commission for the detection and prevention of insurer insolvencies.

(2) Respond to a request by the commissioner to discuss and make recommendations regarding the status of member insurers whose financial condition may be hazardous to policyholders or the public.

b. At the conclusion of a domestic insurer insolvency, the board of directors may prepare a report based on the information available to the association on the history and causes of the insolvency. The report may be submitted to the commissioner.

2. Recommendations and reports made pursuant to subsection 1, paragraph "a", subparagraph (2), are not public records under chapter 22.

Approved May 6, 1986