

SPECIAL MESSAGE

OF THE

GOVERNOR OF IOWA,

TO THE

FOURTEENTH GENERAL ASSEMBLY,

IN RELATION TO A GENERAL INSURANCE LAW.

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DES MOINES :  
G. W. EDWARDS, STATE PRINTER,  
1872.

# REPORT.

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STATE OF IOWA,  
EXECUTIVE DEPARTMENT,  
Des Moines, March 8, 1872. }

*Gentlemen of the Senate and House of Representatives:*

I transmit herewith a communication from the Auditor of State, upon the subject of life and fire insurance legislation, and covering the draft of a proposed law in relation thereto. (There being only one copy of this draft, it is herewith laid before the House of Representatives). The bill thus drawn up is in the main the same as that prepared by the National Convention of State Insurance Officers, and appears to meet the demands of the public in reference to legislation upon insurance. Its aim is to secure, so far as practicable, reciprocal legislation among the several States upon this subject, an object the accomplishment of which I cannot but deem eminently desirable. The present I consider an opportune time for the presentation of this measure, the attention of the General Assembly being just now directed to a revision of the general laws of this State upon all subjects.

C. C. CARPENTER.

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STATE OF IOWA, AUDITOR'S OFFICE,  
Des Moines, March 5, 1872. }

*To His Excellency, Governor C. C. Carpenter:*

I herewith transmit for your consideration a form of general insurance law, the substance of which was recommended to the favorable consideration of the Governors and legislatures of the several States, by the National Convention of State officials, having the supervision

of insurance business under their charge. At the request, and under the appointment of Gov. Merrill, I was present at the meeting of that body in the city of New York, in October last, as the representative of the State of Iowa. The principal object held in view by the convention was to consider and devise a uniform system of action relative to the now great and still rapidly growing business of insurance in its various branches. With this purpose in view, the convention adopted, and recommended to the various insurance departments in the several States, forms of annual statements for both fire and life companies, which in my opinion are excellent. They have been used by all the companies of other States, which have filed their statements in this office for the present year. The convention also deemed it of great importance to endeavor, so far as practicable, to secure the adoption, by the several States, of some general law regulating this great interest, involving as it does hundreds of millions of dollars invested in it by the citizens of the country.

There having been no previous system of co-operation among the States, relative to the regulation and government of insurance companies, the laws and regulations adopted in regard to them in different communities have been so numerous and divergent, as to render it a difficult matter for officers to ascertain properly the requirements of law, regulating them in the discharge of their official duties. With the growth and rapid development of the business, a desire to make an attempt to secure, if possible, some degree of uniformity on the part of the different State authorities, in the mode of dealing with and regulating these corporations, resulted in the draft of a general insurance law, prepared by the convention, and by it recommended to the careful consideration of the legislatures of the several States.

I have devoted some attention to the consideration of this subject, and have made such modifications and additions to the form proposed by the convention as in my opinion would be necessary to adapt it to our local wants and circumstances. It will be seen that I recommend that all companies, both fire and life, be required to pay into the State treasury a tax of one and one-half per cent. on their gross receipts in the State during the year. Our present law requires fire

companies only to pay two per cent., life companies being entirely exempted from the payment of any taxes. I confess I am unable to see any valid reason for this exemption. It has been said, by those engaged in the business, that any tax levied on life insurance would have to be paid by the insured, and would be a tax on the provident, and on widows and orphans, for whose benefit life policies are issued. It is no doubt true that the tax would have to be paid by those who purchase and pay for policies. It is equally true, however, that they have to pay for the fine marble palaces occupied and owned by many of these companies; also, for the princely salaries paid to the officers, who so tenderly care for the widows' welfare, and are ever ready to claim that their projects are the offspring of benevolence and charity. The fact is, they are the offspring of parties desiring to make money by their establishment; hence, I believe they should be required to pay an equal amount with fire companies on their gross receipts for the year. Nearly one million of dollars was collected by life companies in Iowa during the year 1870. The most of this amount goes to New York and other States, is there invested, and becomes a source of revenue to them, but is removed beyond the reach of our taxation. We tax all savings and accumulations of property; even if property belongs to widows and orphans, it is taxed. When a person invests his savings in a thousand or a ten thousand policy of life insurance, I am unable to see any adequate reason for exempting it from the payment of a small amount of tax. Those who invest their savings in land or other property are taxed on the investment.

It will also be seen that I propose to charge our home companies a lower rate of fees than the uniform rates, prescribed for companies of other States and counties. This is done with a view to encourage and help the building up of home companies.

I present this matter for your consideration, leaving it with you to determine as to whether you deem it expedient to call the attention of the legislature to the subject.

Yours, truly,

JOHN RUSSELL, *Auditor of State.*

SPECIAL MESSAGE

OF THE

GOVERNOR OF IOWA,

IN RELATION TO

COUNTY SWAMP LANDS.

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LAI D BEFORE THE FOURTEENTH GENERAL ASSEMBLY, APRIL 16, 1872.

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G. W. EDWARDS, STATE PRINTER.  
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