

202 per cent of the amount required by law to be deposited with the insur-
203 ance department.

204 13. Substitution of contracts of sale and purchase money mort-
205 gages or purchase money deeds of trust. Companies or associations
206 may substitute for securities deposited contracts of sale, purchase
207 money mortgages or purchase money deeds of trust obtained through
208 foreclosure, settlement or satisfaction of other securities but only
209 for an amount approved by the commissioner of insurance.

Senate File 392. Approved April 2, 1937.

CHAPTER 214
MUTUAL INSURANCE

H. F. 501

AN ACT to amend section eight thousand nine hundred six (8906) of the code, 1935, to provide additional financial requirements to be complied with by mutual insurance companies prior to the issuance of a certificate of authority.

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

1 SECTION 1. Section eight thousand nine hundred six (8906) code,
2 1935, is amended by adding as an additional paragraph to be numbered
3 paragraph five (5), the following:

4 "5. It shall have in cash or in securities in which insurance com-
5 panies are authorized to invest, surplus in an amount of not less than
6 five thousand dollars (\$5,000.00); provided that the commissioner of
7 insurance, if in his judgment it appears necessary, may require sur-
8 plus in excess of said amount, but not more than twenty-five thousand
9 dollars (\$25,000.00). The surplus so required may be advanced in
10 accordance with the provisions of section eight thousand nine hun-
11 dred twelve (8912), code, 1935.

12 Provided, however, that such surplus requirements shall not apply
13 to a company which establishes and maintains a guaranty fund as
14 provided by section eight thousand nine hundred twelve-f one (8912-
15 f1), Code, 1935."

1 SEC. 2. None of the provisions of this act shall apply to any com-
2 pany heretofore organized and approved by the commissioner of
3 insurance, but which had not completed its organization at the time
4 of the taking effect of this act, nor shall this act apply to any com-
5 pany already licensed to issue policies.

1 SEC. 3. That all acts or parts of acts in conflict with the provisions
2 of this act are hereby repealed.

1 SEC. 4. This act being deemed of immediate importance shall
2 be in full force and effect after its passage and publication in "The
3 Evening Sentinel," a newspaper published at Shenandoah, Iowa, and
4 in "The Afton Star Enterprise," a newspaper published at Afton, Iowa.

House File 501. Approved May 1, 1937.

I hereby certify that the foregoing act was published in the Afton Star Enterprise, May 27, 1937, and the Evening Sentinel, Shenandoah, May 26, 1937.

ROBERT E. O'BRIAN, *Secretary of State.*