

1 SEC. 29. Section five hundred eighteen point forty-one (518.41),
 2 Code 1962, is hereby amended by striking from lines three (3) and
 3 four (4) thereof, the words “, other than county mutuals,”.

1 SEC. 30. Section five hundred twenty-two point one (522.1), Code
 2 1962, is hereby amended by striking from lines six (6) and seven (7)
 3 thereof, the words “county mutuals or”, and adding to said sentence
 4 after the comma in line seven (7) the words “except that the licens-
 5 ing of persons so acting for county mutuals shall be subject only to
 6 the provisions of section sixteen (16) of this Act,”.

1 SEC. 31. Section four hundred thirty-two point one (432.1), Code
 2 1962, is amended by striking from line four (4) thereof, the words
 3 “county mutual associations”, and by adding to said section after the
 4 word “following” in line nine (9) the words “, except that the premium
 5 tax applicable to county mutual associations shall be governed by sec-
 6 tion eighteen (18) of this Act”.

1 SEC. 32. Section five hundred fifteen point twenty-four (515.24),
 2 Code 1962, is hereby amended by adding to line eleven (11) after the
 3 word “reinsurance”, the words “except that any company reinsuring
 4 windstorm or hail risks written by county mutual associations shall be
 5 required to pay a two percent tax on the gross amount of reinsurance
 6 premiums received upon such risks”.

1 SEC. 33. Section five hundred eighteen point thirty-five (518.35),
 2 Code 1962, is hereby amended by adding to line eleven (11) after the
 3 word “reinsurance”, the words “except that any company reinsuring
 4 windstorm or hail risks written by county mutual associations shall be
 5 required to pay a two percent tax on the gross amount of reinsurance
 6 premiums received upon such risks”.

1 SEC. 34. Section five hundred seven point one (507.1), Code 1962,
 2 is hereby amended by striking from line five (5) the words “except
 3 county mutuals” and substituting in lieu thereof the words “associa-
 4 tions subject to the provisions of this Act”.

Approved March 25, 1965.

CHAPTER 402

PROXIES FROM INSURANCE STOCKHOLDERS

H. F. 209

AN ACT relating to the solicitation of proxies from policyholders and stockholders of insurance companies.

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

1 SECTION 1. Sections five hundred twenty-three point two (523.2),
 2 five hundred twenty-three point three (523.3), and five hundred
 3 twenty-three point four (523.4), Code 1962, are hereby repealed and
 4 the following section substituted therefor: “The commissioner of
 5 insurance shall promulgate such rules with respect to the solicitation

6 and voting of proxies as will in his opinion best protect the interests
7 of all stockholders or policyholders from whom they are solicited.
8 Any violation of any rule promulgated hereunder shall be deemed a
9 misdemeanor and punishable accordingly.”

Approved February 26, 1965.

CHAPTER 403

INSIDER TRADING OF INSURANCE STOCK

H. F. 210

AN ACT concerning insider trading of domestic stock insurance company equity securities.

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

1 SECTION 1. Every person who is directly or indirectly the bene-
2 ficial owner of more than ten per cent (10%) of any class of any
3 equity security of a domestic stock insurance company, or who is a
4 director or an officer of such company, shall file in the office of the
5 commissioner of insurance on or before the thirty-first day of July,
6 1965, or within ten days after he becomes such beneficial owner, direc-
7 tor or officer a statement, in such form as the commissioner may
8 prescribe, of the amount of all equity securities of such company of
9 which he is the beneficial owner, and within ten days after the close
10 of each calendar month thereafter, if there has been a change in such
11 ownership during such month, shall file in the office of the commis-
12 sioner a statement, in such form as the commissioner may prescribe,
13 indicating his ownership at the close of the calendar month and such
14 changes in his ownership as have occurred during such calendar
15 month.

1 SEC. 2. For the purpose of preventing the unfair use of informa-
2 tion which may have been obtained by such beneficial owner, director
3 or officer by reason of his relationship to such company, any profit
4 realized by him from any purchase and sale, or any sale and purchase,
5 of any equity security of such company within any period of less than
6 six months, unless such security was acquired in good faith in con-
7 nection with a debt previously contracted, shall inure to and be re-
8 coverable by the company, irrespective of any intention on the part
9 of such beneficial owner, director or officer in entering into such
10 transaction of holding the security purchase or of not repurchasing
11 the security sold for a period exceeding six months. Suit to recover
12 such profit may be instituted at law or in equity in any court of com-
13 petent jurisdiction by the company, or by the owner of any security
14 of the company in the name and in behalf of the company if the com-
15 pany shall fail or refuse to bring such suit within sixty days after
16 request or shall fail diligently to prosecute the same thereafter; but
17 no such suit shall be brought more than two years after the date such
18 profit was realized. This section shall not be construed to cover any
19 transaction where such beneficial owner was not such both at the time
20 of the purchase and sale, or the sale and purchase, of the security