

A BILL FOR AN ACT

To amend section sixteen hundred and ninety-six (1696), seventeen hundred eighty-five (1785), eighteen hundred two (1802), eighteen hundred nineteen (1819) of the code. Also to amend sections seventeen hundred fifty-nine-m (1759-m), seventeen hundred eighty-three-e (1783-e), seventeen hundred ninety-eight (1798), eighteen hundred twenty-one-n (1821-n), seventeen hundred eighty-three-f (1783-f) and eighteen hundred twenty-b (1820-b), supplement to the code, 1913. Also to amend section seventeen hundred eighty-three-b (1783-b), supplemental supplement to the code, 1915. Also to repeal section sixteen hundred ninety-one (1691) of the code. Also to repeal and enact substitutes therefor, sections sixteen hundred and eighty-six (1686), seventeen hundred two (1702), seventeen hundred eleven (1711), seventeen hundred twenty-six (1726), and seventeen hundred sixty-nine (1769) of the code. Also to repeal and enact a substitute therefor, section eighteen hundred twenty-one-1 (1821-1), supplement to the code, 1913; all relating to insurance.

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

1 Section 1. That the law as it appears in section sixteen
2 hundred ninety-six (1696) of the code be and the same is hereby
3 by striking from line two thereof the words “during the month of Jan-
4 uary.”

1 Sec. 2. That the law as it appears in section seventeen hun-
2 dred eighty-five (1785) of the code, be and the same is hereby amended
3 by inserting in line ten (10) thereof, between the words “the” and
4 “secretary”, the words “county recorder and”.

1 Sec. 3. That the law as it appears in section eighteen

2 hundred two (1802) of the code be and the same is hereby amended by
3 striking the word “chapter” from line two and inserting in lieu thereof
4 the words “or any other chapter relating to insurance companies”.

1 Sec. 4. That the law as it appears in section eighteen
2 hundred nineteen (1819) of the code be and the same is hereby
3 by striking the word “life” from the first line thereof and by insert-
4 ing in line ten (10), between the word “representations” and the word
5 “made” the following: “which representations shall not be construed
6 as warranties”.

1 Sec. 5. That the law as it appears in section seventeen
2 hundred fifty-nine-m (1759-m), supplement to the code, 1913, be and
3 same is hereby amended by striking from lines seven (7) and eight (8)
4 the following words: “as his pro rata share of losses and expenses
5 incurred since date of his policy”, and substituting in lieu thereof
6 the following: “which amount shall be determined for the relative por-
7 tion of the calendar year that the insured has been covered bears to
8 the average cost of insurance per annum upon the association’s average
9 experience for the past five years as shown by the last annual state-
10 ment of such association made to the commissioner of insurance”.

1 Sec. 6. That the law as it appears in section seventeen
2 hundred eighty-three-e (1783-e), supplement to the code, 1913, be
3 amended by inserting in line seven (7) between the words “referred
4 to” and “shall” the words “assets or surplus”.

1 Sec. 7. That the law as it appears in section seven-
2 teen hundred ninety-eight (1798), supplement to the code, 1913, be
3 and the same is hereby amended by adding to the last line thereof,

4 immediately following the word "state", the following: "If such
5 power of attorney is not so filled, then service may be had upon any
6 member of such association, provided that in case of service upon a
7 member notice thereof must be furnished by the plaintiff, by regis-
8 tered mail to the home office of such association.

1 Sec. 8. That the law as it appears in section eighteen
2 hundred twenty-one-n (1821-n), supplement to the code, 1913, be and
3 the same is hereby amended by striking from line three (3) thereof
4 the words "stipulated premiums".

1 Sec. 9. That the law as it appears in section seven-
2 teen hundred eighty-three-f (1783-f), supplement to the code, 1913,
3 be and the same is hereby repealed and the following enacted in lieu
4 thereof: "Section 1783-f. The certificate of authority of any
5 company heretofore organized and now transacting business upon the
6 stock plan shall not be renewed after January 1, 1919, unless said
7 company shall have at that date at least one hundred thousand dollars
8 (\$100,000.00) of capital stock, which shall be paid up in cash and
9 invested according to law."

1 Sec. 10. That the law as it appears in section eight-
2 een hundred twenty-b (1820-b), supplement to the code, 1913, be and
3 the same is hereby amended by striking the word "life" from line one
4 (1) thereof.

1 Sec. 11. That the law as it appears in section seven-
2 teen hundred eighty-three-b (1783-b), supplemental supplement to the
3 code, 1915, be and the same is hereby amended by inserting in line
4 twelve (12) thereof, between the words "medical board" and the word

5 “of” the words “composed of physicians”.

1 Sec. 12. That the law as it appears in section sixteen
2 hundred eighty-six (1686) of the code, be and the same is hereby re-
3 pealed and the following enacted in lieu thereof:

4 “Section 1702. The directors or managers of a stock company in-
5 articles of incorporation he shall so certify thereon and the articles
6 with his certificate of approval shall then be recorded in the office
7 of the recorder of deeds in the county wherein is located the princi-
8 pal place of business of such corporation, and thereafter by the sec-
9 retary of state and such officers shall endorse thereon their certifi-
10 cate of record.”

1 Sec. 13. That the law as it appears in section seventeen
2 hundred two (1702) of the code be and the same is hereby repealed and
3 the following enacted in lieu thereof:

4 “Section 1702. The directors or managers of a stock company in-
5 corporated under the laws of this state shall make no dividends except
6 from the profits arising from their business. There shall be annually
7 set aside and reserved by every domestic stock or mutual insurance
8 company operating under this chapter a sum equal to fifty (50) per
9 cent of the amount received as premiums on unexpired risks and poli-
10 cies, which amount so reserved shall be unearned premiums. And there
11 shall also be reserved all sums due the corporation on bonds and
12 mortgages, bonds, stocks and book account, of which no part of the
13 principal or interest thereon has been paid during the year preceding
14 such estimate of profits and upon which suit for foreclosure or collec-

15 tion has not been commenced, or which, after judgment has been ob-
16 thereon, shall have remained more than two years unsatisfied, and on
17 which interest has not been paid, and such judgment with interest due
18 or accrued thereon and remaining unpaid shall also be reserved. Any
19 dividends made contrary to these provisions shall subject the company
20 making it to a forfeiture of its franchise.”

1 Sec. 14. That the law as it now appears in section sev-
2 enteen hundred eleven (1711) of the code be and the same is hereby
3 repealed and the following enacted in lieu thereof:

4 “Section 1711. Any company operating under the provisions
5 of this chapter may lend money on bottomry or respondentia and cause
6 itself or any of its risks or parts thereof to be reinsured in compa-
7 nies organized in or authorized to do business in this state, against
8 any loss or risk it may have incurred in the course of its business
9 and upon the interest it may have in any property on account of any
10 such loan, and generally to do and perform all other matters and
11 things proper to promote these objects.”

1 Sec. 15. That the law as it appears in section seven-
2 teen hundred twenty-six (1726) of the code be and the same is repealed
3 and the following is hereby enacted in lieu thereof:

4 “Sec. 1726. All promissory notes taken in payment for pol-
5 icies of insurance of any company transacting business under the stat-
6 utes of Iowa, by the officers or agents thereof, shall have plainly
7 stated upon their face the words: “This note is given in payment
8 of the premium for insurance and is uncollectible and nontransferable
9 until after delivery of said insurance policy”. Any officer, agent

10 or representative of any such insurance company receiving or disposing
11 of in any manner whatsoever such premium promissory note, which
12 not comply with the foregoing provision shall, for each offense, be
13 guilty of a misdemeanor and shall, upon conviction thereof, be punish-
14 ed by imprisonment in the county jail not more than thirty days or by
15 a fine not exceeding one hundred dollars.

1 Sec. 16. That the law as it appears in section seven-
2 teen hundred sixty-nine (1769) of the code be and the same is hereby
3 repealed and the following enacted in lieu thereof:

4 "Section 1769. Stock companies organized under the laws of this
5 state shall have not less than one hundred thousand dollars (\$100,000)
6 of capital, paid up and invested in bonds of the United States, of
7 this state, of counties, townships, school districts, drainage dis-
8 tricts of this state, and of bonds and improvement certificates of any
9 municipal corporation within this state, or in bonds and mortgages
10 upon unincumbered real estate in the state worth, exclusive of improve-
11 ments, at least double the sum loaned thereon, which securities shall
12 be deposited with the commissioner of insurance, and upon such de-
13 and evidence by affidavit or otherwise satisfactory to the commissioner
14 that the capital was subscribed and paid for in good faith, and that
15 the company is the actual and unqualified owner of the securities rep-
16 resenting the paid up capital, and free and clear of any lien or claim
17 on the part of any other person. He shall issue to such company the
18 certificate hereinafter provided for, but no part of the capital afore-
19 said, or any part of the surplus shall be loaned to any stockholder or
20 officer of the company."

1 Sec. 17. That the law as it now appears in section
2 eighteen hundred twenty-one-1 (1821-1), supplement to the code, 1913,
3 be and the same is hereby repealed and the following enacted in lieu
4 thereof:
5 “Section 1821-1. Any person acting as agent or otherwise rep-
6 resenting any insurance company or association in violation of the fore-
7 going section, shall be liable to a fine of twenty-five and not to ex-
8 ceed one hundred dollars for each offense and the company receiving
9 such applications or business shall be held equally responsible and
10 the commissioner of insurance may revoke the license of such company.

