

SENATE FILE 1223

By COMMITTEE ON JUDICIARY

FILED FEB 27 1974
the Commerce 3/3

Passed Senate, Date 3-12-74 (730) Passed House, Date 5-2-74 (2337)
Vote: Ayes 46 Nays 0 Vote: Ayes 89 Nays 0

Approved _____
Passed Senate for House amendment
5-3-74 (1952)
43-0

A BILL FOR

1 An Act relating to the powers of nonprofit corporations.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section five hundred four point two (504.2),
2 Code 1973, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. A corporation organized not for pecuniary
4 profit shall have power to purchase and maintain insurance on
5 behalf of any person who is or was a director, officer, employee,
6 or agent of the corporation, or is or was serving at the request
7 of the corporation as a director, officer, employee, or agent of
8 another corporation, partnership, joint venture, trust, or other
9 enterprise against any liability asserted against him and
10 incurred by him in any such capacity or arising out of his
11 status as such, whether or not the corporation would have the
12 power to indemnify him against such liability under the provi-
13 sions of this section.

14 Sec. 2. Section five hundred four A point four (504A.4),
15 Code 1973, is amended by adding the following new subsection:

16 NEW SUBSECTION. A nonprofit corporation shall have power to
17 purchase and maintain insurance on behalf of any person who is
18 or was a director, officer, employee, or agent of the corporation,
19 or is or was serving at the request of the corporation as a
20 director, officer, employee, or agent of another corporation,
21 partnership, joint venture, trust, or other enterprise against
22 any liability asserted against him and incurred by him in any
23 such capacity or arising out of his status as such, whether or
24 not the corporation would have the power to indemnify him against
25 such liability under the provisions of this section.

26 EXPLANATION

27 This bill allows corporations organized not for pecuniary
28 profit and nonprofit corporations to purchase and maintain
29 liability insurance for any liability asserted against directors,
30 officers, employees or agents of the corporation.

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H-3022

1 Amend Senate File 1223, page 2, by inserting after
2 line 25 the following section:

3 Sec. ____ . Section five hundred four A point one
4 hundred one (504A.101), Code 1973, is amended to
5 read as follows:

6 504A.101 PERSONAL LIABILITY. Except as other-
7 wise provided in this chapter, the directors, offi-
8 cers, employees and members of the corporation shall
9 not, as such, be liable on its debts or obligations
10 and no director, officer, member or noncompensated
11 volunteer person shall be personally liable for any
12 claim based upon an act or omission of such person
13 performed in the reasonable discharge of his unlawful
14 corporate duties.

H-3022 Filed *Adopted 5/2*
April 26, 1974

By KREAMER of Polk

SENATE AMENDMENT TO THE HOUSE AMENDMENT TO
SENATE FILE 1223

1 Amend the House Amendment to Senate File 1223, by
2 striking lines 8 through 12 and inserting in lieu
3 thereof the following:
4 "or its debts or obligations and no director or
5 officer shall be personally liable for any claim
6 based upon an act or omission of such person per-
7 formed in the reasonable discharge of his corporate
8 duties and while acting in his capacity as a
9 director or officer."

Received from the Senate
May 3, 1974

HOUSE AMENDMENT TO SENATE FILE 1223

1 Amend Senate File 1223, page 2, by inserting after line
2 25 the following section:
3 Sec. ____ . Section five hundred four A point one hundred
4 one (504A.101), Code 1973, is amended to read as follows:
5 504A.101 PERSONAL LIABILITY. Except as otherwise pro-
6 vided in this chapter, the directors, officers, employees
7 and members of the corporation shall not, as such, be liable
8 on its debts or obligations and no director, officer, member
9 or noncompensated volunteer person shall be personally
10 liable for any claim based upon an act or omission of such
11 person performed in the reasonable discharge of his lawful
12 corporate duties.

Received from the House
May 2, 1974

S—3007

1 Amend the House amendment to Senate File 1223, by
2 striking lines 8 through 12 and inserting in lieu
3 thereof the following:
4 "or its debts or obligations and no director shall
5 be personally liable for any claim based upon an
6 act or omission of such person performed in the
7 reasonable discharge of his corporate duties and
8 while acting in his capacity as a director."

S—3007 Filed and adopted *see* By RILEY
May 3, 1974 *amended by 3008 5/3*

S—3008

1 Amend the Riley amendment S-3007 to the House
2 Amendment to Senate File 1223 as follows:
3 1. Line 4, by inserting after the word "director"
4 the words "or officer".
5 2. Line 8, by inserting after the word "director"
6 the words "or officer".

S—3008 Filed and adopted By RILEY
May 3, 1974