

A BILL

FOR AN ACT TO REGULATE LIFE INSURANCE COMPANIES.

SEC. 1. *Be it enacted by the General Assembly of the State of Iowa,* That every company formed
2 for the purpose of assuring the lives of individuals, whether organized under a law of this State, or of
3 any other State, or foreign country, shall before issuing any policies on lives within this State, comply
4 with the conditions and restrictions of this act.

SEC. 2. Joint stock companies organized under the laws of this State, shall have not less than one
2 hundred thousand dollars of capital stock subscribed, twenty-five per cent of which shall be paid up
3 and invested in stocks of the United States or of this State, or in bonds and mortgages upon unincum-
4 bered real estate in the State of Iowa, worth at least double the sum loaned thereon, which said
5 securities shall be deposited with the Auditor of State, and upon said deposit and satisfactory evidence
6 to the Auditor that the capital stock is all subscribed in good faith, he shall issue to said company the
7 certificate hereinafter provided for. The remainder of said capital stock shall be paid in at such times
8 as the Directors or Trustees of the company may direct.

SEC. 3. Companies organized under the laws of this State upon the mutual plan, shall, before
2 issuing any policies, have *bona fide* applications on at least two hundred and fifty individual lives for an
2 average amount of one thousand dollars each, a list of which applications, giving the name, age,
3 residence, amount of insurance and annual premium of each applicant, shall be filed with the Auditor
4 of State, and a deposit made with said Auditor of an amount equal to three-fifths of the whole annual
5 premium on said applications, either in cash or the securities required by the foregoing section of this
6 act, and on compliance with said provisions, the Auditor shall issue to said mutual company the certificate
7 hereinafter prescribed.

SEC. 4. Companies organized under the laws of any other State, or in any foreign country, and
2 transacting the business of life insurance in this State, shall upon the taking effect of this act, file with
3 the Auditor of State an authenticated copy of their charter or articles of incorporation and by-laws,
4 and a copy verified by the oath of their officers, of the annual statement of the affairs of said company
5 made next preceding the date of such filing, and shall also by their President and Secretary designate
6 in writing a city or town within the State of at least two thousand inhabitants, at which said company
7 will establish their general office or agency for the State, and they shall have at that point an office
8 open at all times to the inspection of the Auditor or some one designated by him, in which shall be kept

9 a register or record of all policies issued by said company to residents of this State, or through any
10 agency established in the State, which record shall show name, residence and age of party assured,
11 name of person in whose favor assurance is effected, amount of insurance and annual premium, date
12 and character of policy, whether life or endowment, and all other facts pertaining to said policies
13 necessary to determining their values. When the papers are filed, the Auditor shall issue a preliminary
14 certificate authorizing said company to transact the business of life insurance, said certificate to be
15 recorded as required in the eighth section of this act, and to be in force till thirty days after first annual
16 notice of valuation of policies given by the Auditor to said company.

SEC. 5. It shall be the duty of the President and Secretary of each company transacting a life
2 insurance business in this State, on the first day of January in each year, or within thirty days
3 thereafter, to prepare under oath and file with the Auditor of State a statement of the condition of the
4 company on the last day of the month preceding, which shall exhibit the following items, viz :

- 5 1st. Name of company.
- 6 2d. When chartered or organized, and for what period.
- 7 3d. Where located, and name of town or city in this State where its principal business office
8 is established.
- 9 4th. Full statement of the assets of the company, including cash on hand, in bank, in hands
10 of agents, or in transmission from them.
- 11 5th. Number of shares owned in each bank, giving par and present market value per share.
- 12 6th. Number of shares of stock, and bonds, of railroads, giving corporate name of each
13 road, and stating original cost, par value and present market value.
- 14 7th. Amount invested in real estate, at cost.
- 15 8th. Amount loaned on mortgages of real estate not including accrued interest.
- 16 9th. Amount loaned on notes, secured by collaterals.
- 17 10th. All other investments.
- 18 11th. How much included in foregoing statement of assets consists of premium notes on
19 policies not returned as now in force.
- 20 12th. Number, date and amount of each outstanding policy issued to residents of this State,
21 or upon any application taken by an agency in the State, subsequent to the taking
22 effect of this act, not heretofore returned, age of insured, and nature of policy,
23 whether whole life or endowment.
- 24 13th. Number, date and amount of each policy issued as above, which has since the date
25 of last report ceased to be in force, how terminated, what has been paid to legal
26 holder of policy, and age of insured.
- 27 14th. Amount of losses ascertained and unpaid.
- 28 15th. Amount of losses claimed against the company whether acknowledged as due or not
29 by the company.

- 30 16th. Amount due from the company on its acknowledged indebtedness, including dividends
31 and losses.
- 32 17th. Amount received for premiums since preceding report, in cash, and in premium notes,
33 separating the two items.
- 34 18th. Amount received for interest since preceding report.
- 35 19th. Amount paid for interest the preceding year, including, if a stock company organized
36 in this State, amount paid interest on capital stock.
- 37 20th. Amount of guarantee funds, including that on deposit with the Auditor, and how
38 invested.
- 39 21st. Amount paid for expenses and commissions since last report.

SEC. 6. The Auditor of State is hereby authorized to amend the form of annual statement, and to
2 propose such additional inquiries as he may think necessary to elicit a full exhibit of the standing of
3 companies doing business in the State.

SEC. 7. As soon as practicable after the filing of said statement in the office of the Auditor of
2 State, he shall proceed to ascertain the net cash value of each policy in force, upon the basis of the
3 "combined experience" or "actuarial" rate of mortality with interest at four per cent per annum,
4 and for the purpose of making such valuations may employ a competent actuary, who shall be paid
5 out of the fees paid to the Auditor. Upon ascertaining the net cash value of policies in force in any
6 company, the Auditor shall notify said company of the amount, and within thirty days after the date
7 of such notification it shall be the duty of the officers of said company to deposit with the Auditor the
8 amount of such ascertained valuation in stocks of the United States, or of this State, or in bonds and
9 mortgages on real estate within the limits of this State of at least double the value of the amount
10 loaned thereon: *Provided*, That in the case of companies organized in other States or foreign
11 countries, they may, in lieu of the securities above named, deposit the stocks of any other State at not
12 exceeding their market or par value in New York City at the time of such deposit: *And provided*
13 *further*, That no joint stock company organized under the law of this State shall be required to make
14 such deposit until the cash value of the policies in force, as ascertained by the Auditor, exceeds the
15 amount deposited by said company under the second section of this act.

SEC. 8. On receipt of the deposit from any company, as provided in the preceding section, the
2 Auditor shall issue a certificate setting forth the corporate name of the company, its principal office or
3 agency in the State, that it has deposited the necessary guarantee fund to secure outstanding risks, and
4 is authorized to transact the business of life insurance for twelve months from the date of such
5 certificate, or until the expiration of the thirty day's notice given by the Auditor of the next annual
6 valuation of its policies. The certificate shall be recorded in the recorder's office of the county in
7 which such principal office is located, in a book prepared for that purpose. A copy of the certificate,
8 certified by the Auditor, shall be by the general agent of said company, furnished to each of its local
9 and traveling agents, and said copy shall be their authority for soliciting applications for policies.

SEC. 9. Upon the failure of any company to make the deposit in the time stated, the State Auditor shall notify the Attorney General of the default, who shall at once apply to the Supreme or District Court, if in session, or if in vacation to any member thereof, for an order requiring said company to show cause why its business shall not be closed, and if upon the hearing the company shall fail to show sufficient cause for neglecting to make the deposit required by section seven of this act, then if said company was organized under the laws of this State, the court shall decree its dissolution, and if organized or chartered by the laws of any foreign State or country shall enjoin said company perpetually from transacting any business of life insurance within this State.

SEC. 10. The Auditor may at any time make a personal examination of the books, papers and securities of any life insurance company doing business in the State, or may authorize and empower any other suitable person, not interested in any insurance company in this State, as stockholder, officer or agent, to make such examination, and for the purpose of securing a full and true exhibit of its affairs, he or the person selected by him to make such examination, shall have power to examine under oath any officer or agent of said company, or others if necessary, relative to its business and management. If upon such examination the Auditor is of opinion that the company is insolvent, or that its condition is such as to render its further proceedings hazardous to the public or to the holders of its policies, he shall communicate the facts to the Attorney General, who shall at once apply to a Judge of the Supreme or District Court to issue an injunction restraining such company from transacting further business (except the payment of losses already ascertained and due) until a full hearing can be had. It shall be discretionary with the judge either to issue the injunction forthwith, or to give notice to the company, and cause a hearing to be had as in ordinary proceedings for an injunction. Upon the final hearing of the cause, he may dissolve or modify the injunction, or make it perpetual, and if made perpetual shall also decree what disposition shall be made of the deposit of the company in the hands of the Auditor, subject to the provisions of the following section.

SEC. 11. The securities of a defaulting or insolvent company on deposit with the Auditor of State, shall vest in the State for the benefit of the policies on which such deposits were made, and the proceeds of the same shall, upon the order of the court, be divided among the holders of said policies in the proportions of the last annual valuation of the same, or applied to the purchase of re-insurance for the benefit of the policy holders.

SEC. 12. Companies shall have the right at any time to change their securities on deposit by substituting for those withdrawn a like amount in other securities of the character provided for in section seven, and whenever the annual valuation of policies outstanding and in force against any company, is less than the amount of security then on deposit with the Auditor, said company shall have the right to withdraw such excess.

SEC. 13. The Auditor shall permit companies having on deposit with him stock or bonds as security, to collect the interest accruing on such deposits, delivering to their authorized agents respectively the coupons or other evidences of interest as the same became due, but upon default by any company

4 to deposit additional security as called for by the Auditor, or pending any proceedings to close up or
5 enjoin it, he shall collect the interest as it becomes due, and add the same to the securities in his hands
6 belonging to such company.

SEC. 14. At the earliest practicable date after the returns are received from the several insurance
2 companies, the Auditor shall make a report to the General Assembly of the general conduct and
3 condition of the corporations visited by him since his last annual report, and shall include therein an
4 aggregate of the calculated values of all outstanding policies of life insurance, and in connection
5 therewith shall prepare an abstract of all the returns and statements made to him by insurance
6 companies and agents.

SEC. 15. Any company doing business in the State without the certificate required by section
2 eight, shall forfeit one hundred dollars for each day's neglect to secure said certificate. Any agent
3 making insurance, or soliciting applications for any company having no certificate from the Auditor,
4 shall forfeit the sum of three hundred dollars, and any person acting for a company authorized to
5 transact business in the State, without having a certified copy of company's certificate, issued by the
6 Auditor of State, in his possession, shall be liable to pay twenty - five dollars for each day's neglect to
7 procure such copy.

SEC. 16. A policy of insurance on the life of an individual, in the absence of an agreement or
2 assignment to the contrary, shall enure to the separate use of the husband or wife and children of said
3 individual, independently of his or her creditors; and an endowment policy payable to the assured on
4 attaining a certain age, shall be held exempt from liability for any of his or her debts.

SEC. 17. To meet the expenses to be incurred in carrying into effect the provisions of this act, the
2 following scale of fees is fixed :

3 For filing each annual statement, including the first application of any company, the sum of ten
4 dollars.

5 For each certificate of authority to do business under this act, the sum of twenty - five dollars.

6 For annual valuation of policies, four cents on every thousand dollars insured on lives, and this
7 fee shall cover all charges by the State for the safe keeping of deposits made by the companies.

8 For changing securities, by withdrawing one and substituting another, the sum of twenty - five
9 cents for each thousand dollars, or fractional part thereof.

10 For making personal examination of the books, papers and officers of a company, the sum of
11 ten dollars a day, for each day so employed, and actual traveling expenses.

12 For each certified copy of the original certificate the sum of one dollar. County Recorders
13 shall be permitted to charge the usual fees for recording the original certificate.

SEC. 18. The penalties provided for in this act, shall be sued for and recovered in the name of the
2 State of Iowa, by the District Attorney in the District Court of the county in which the company or
3 agent violating shall be situated or reside. Three - fourths of said penalty when recovered, shall be

4 paid into the County Treasury for the use of the school fund, and one - fourth to the informer of such
5 violation. In case of non - payment of the penalty, the individual offending shall be liable to impris-
6 onment in the county jail for a period not exceeding three months.

SEC. 19. All companies organized under the laws of this State, and transacting a life insurance
2 business, at the time of the taking effect of this act, shall within twenty days thereafter comply with
3 the provisions of sections two and three hereof in the same manner as companies hereafter organized.
4 And a failure on the part of existing companies to comply with this provision shall subject them and
5 their agents to the penalties named herein.

SEC. 20. Life companies organized under the laws of this State, whether on the stock or mutual
2 plan, may be formed to endure for fifty years, and may be renewed from time to time for a period no
3 greater than at first.

SEC. 21. All acts and parts of acts conflicting with the provisions of this, are hereby repealed.

A BILL

FOR AN ACT TO REGULATE LIFE INSURANCE COMPANIES.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That every company
2 formed for the purpose of assuring the lives of individuals, whether organized under the laws of this
3 State or of any other State, or foreign country, shall, before issuing any policies on lives within this
4 State, comply with the conditions and restrictions of this act.

SEC. 2. Joint stock companies organized under the laws of this State shall have not less than one
2 hundred thousand dollars of capital stock subscribed, twenty - five per cent of which shall be paid up
3 and invested in United States stocks, or of this State, or in bonds and mortgages upon unincumbered
4 real estate in the State of Iowa, worth, exclusive of improvements, at least double the sum loaned
5 thereon, which said securities shall be deposited with Auditor of State, and upon said deposit and satis-
6 factory evidence to the Auditor that the capital stock is all subscribed in good faith, he shall issue to
7 said company the certificate hereinafter provided for; *provided* no part of the twenty - five per cent
8 aforesaid shall be loaned to any stock - holder or officer of the company; the remainder of such stock
9 shall be paid in at such time as the directors or trustees of the company may direct, and the same shall
10 be secured by the notes of the stockholders of said company. And no note shall be accepted as part
11 of such capital stock unless the same shall be accompanied by a certificate of a justice of the peace,
12 notary public, or clerk of the district court of the county in which the person executing such note shall
13 reside, that the person making the same is, in his opinion, pecuniarily good and responsible for the
14 same in property not exempt from execution by the laws of their State; and no such note shall be
15 surrendered while the policy for which it was given continues in force.

SEC. 3. Companies organized under the laws of this State upon the mutual plan, shall, before
2 issuing any policies, have *bona fide* applications on at least two hundred and fifty individual lives for an
3 average amount of one thousand dollars each, a list of which applications, giving the name, age,
4 residence, amount of insurance and annual premium of each applicant, shall be filed with the Auditor
5 of State, and a deposit made with said Auditor of an amount equal to three - fifths of the whole annual
6 premium on said applications, either in cash or the securities required by the foregoing section of this
7 act, and on compliance with said provisions, the Auditor shall issue to said mutual company the
8 certificate hereinafter prescribed.

SEC. 4. It shall not be lawful for any person to act within this State as agent, or otherwise, in receiving or procuring applications for insurance, or in any manner to aid in transacting the business of insurance referred to in the first section of this act, or for any company or association incorporated by, or organized under the laws of any other State government, unless such company is possessed of the amount of actual capital required of companies in this State, and the same is invested in stocks or treasury notes of the United States, or of the State of Iowa, or of interest paying bonds of the State in which said company is located, or on bonds and mortgages on unincumbered real estate within the State where such company is located; but all mortgages deposited by any company under this section, shall be unincumbered real estate worth double the amount loaned thereon, which stocks and securities shall be deposited with the Auditor, Controller, or chief financial officer of the State by whose laws said company is incorporated, and the Auditor of this State furnished with a certificate of such Auditor, Controller, or chief financial officer aforesaid, under his hand and official seal, that he, as such Auditor, Controller, or chief financial officer of such State, holds in trust and on deposit, for the benefit of all the policy holders of such company, the security before mentioned, which certificate shall embrace the items of security so held, that he is satisfied that such securities are worth one hundred thousand dollars; but nothing herein contained shall be construed to invalidate the agency of any company incorporated by another State, by reason of such company having from time to time exchanged the securities so deposited with the Auditor, Controller, or chief financial officer of the State in which such company is located for other stock or securities authorized by this act, or by reason of such company having drawn its interest and dividends from time to time for such stocks and securities.

SEC. 5. Such company shall also appoint an attorney or agent in each county in this State, in which the company has an agency on whom powers of law can be served; and such company shall file with the Auditor of State a certified copy of the charter or articles of incorporation of said company, and also a certified copy of the certificate of appointment of such agent or agents, which appointment shall continue until another agent or attorney be substituted. And in case any such insurance corporation shall cease to transact business in this State according to the laws thereof, the agents last designated, or acting as such for such corporation, shall be deemed to continue agents for such corporation for the purpose of serving process for commencing actions upon any policy or liability issued or contracted while such corporation transacted business in this State, and service of such process for the causes aforesaid upon any such agent, shall be deemed a valid personal service upon such corporation, and such company shall also file a statement of its condition and affairs in the office of the Auditor of State, in the same form and manner required for the annual statements of similar companies organized under the laws of this State.

SEC. 6. It shall not be lawful for any agent to act for any company referred to in the foregoing section, directly or indirectly in taking risks, collecting premiums or in any manner transacting the business of life insurance in this State without procuring from said Auditor a certificate of authority,

4 stating that the foregoing requirements have been complied with, and setting forth the manner of the
5 attorney for such company, a certified copy of which certificate shall be filed in the County Recorder's
6 office of the county where the agency is to be established, and shall be the authority of such company
7 and agent to commence business in this State, and such company, or its agents or attorneys shall,
8 annually, in the month of January, or within thirty days thereafter, file with the Auditor of this State
9 a statement of its affairs for the preceding year, in the same manner and form provided for similar
10 companies in this State.

SEC. 7. It shall be the duty of the President or Vice President, and Secretary or Actuary, or a
2 majority of the trustees or directors of each company organized under this act, or doing business in
3 this State, annually on the first day of January, or within thirty days thereafter, to prepare under oath
4 and deposit in the office of the Auditor of State, a statement, showing

5 FIRST — NAME AND CAPITAL.

- 6 1st. The name of the Company and where located.
7 2d. The names of the officers.
8 3d. The amount of capital stock.
9 4th. The amount of capital stock paid up.

10 SECOND — ASSETS.

- 11 1st. The value of the real estate owned by such company.
12 2d. The amount of cash on hand.
13 3d. The amount of cash deposited in bank, giving name of bank or banks.
14 4th. The amount of cash in the hands of agents, and in the course of transmission.
15 5th. The amount of bank stocks, with the name of each bank, giving par and market value of the
16 same.
17 6th. The amount of stock and bonds of the United States, and all other bonds, giving names and
18 amounts, with the par and market value of each kind.
19 7th. The amount of loans secured by first mortgage on real estate.
20 8th. The amount of all other bonds and loans, and how secured, with the rate of interest.
21 9th. The amount of premium notes on policies in force.
22 10th. The amount of notes given for unpaid stock, and how secured.
23 11th. The amount of assessments unpaid on stock or premium notes.
24 12th. The amount of interest due and unpaid.
25 13th. All other securities.

26 THIRD — LIABILITIES.

- 27 1st. The amount of losses due and unpaid.
28 2d. The amount of losses adjusted but not due.
29 3d. The amount of losses unadjusted.

- 30 4th. The amount of claims for losses resisted.
31 5th. The amount of money or evidences of investment borrowed.
32 6th. The amount of dividends unpaid.
33 7th. The amount required to safely re - insure all outstanding risks.
34 8th. All other claims against the company.

35 FOURTH — INCOME DURING THE YEAR.

- 36 1st. The amount of net cash premiums received.
37 2d. The amount of premium notes received.
38 3d. The amount of interest received from all sources.
39 4th. The amount received from all other sources.

40 FIFTH — EXPENDITURES DURING THE YEAR.

- 41 1st. The amount paid for losses.
42 2d. The amount of dividends paid to policy holders, and amount to stockholders.
43 3d. The amount of commissions and salaries paid to agents.
44 4th. The amount paid to officers for salaries and other perquisites.
45 5th. The amount paid for taxes.
46 6th. The amount of all other payments and expenditures.

47 SIXTH — MISCELLANEOUS.

- 48 1st. The greatest amount insured on any one life.
49 2d. The amount deposited in other States or Territories as security for policy holders therein,
50 stating the amount in each State or Territory. .
51 3d. The amount of premiums received in this State during the year.
52 4th. The amount paid for losses in this State during the year.
53 5th. The whole number of policies issued during the year, with the amount of insurance effected
54 thereby, and total amount at risk.
55 6th. All other items of information necessary to enable the Auditor to correctly estimate the cash
56 value of policies, or to judge of the correctness of the valuation thereof.

SEC. 8. The Auditor of State is hereby authorized to amend the form of annual statement, and to
2 propose such additional inquiries as he may think necessary to elicit a full exhibit of the standing of
3 companies doing business in the State.

SEC. 9. As soon as practicable after the filing of said statement, of any company organized or doing
2 business under the laws of this State, in the office of the Auditor of State, he shall proceed to ascertain
3 the net cash value of each policy in force, upon the basis of the New York standard of valuation of
4 life policies, it being Dr. Farr's English Life Table number three, for males, or Actuary's Combined
5 Experience Table of Mortality, with interest at four per cent ; but in case such valuation has been made
6 in New York, or any other State upon the basis above specified, a certificate of the Auditor, Controller,

7 or chief financial officer of said State, shall be taken by the Auditor of this State as sufficient evidence
8 of the valuation of such policies and of the amount so required for such re-insurance, and for the
9 purpose of making such valuations. When not already done as aforesaid, the Auditor may employ a
10 competent actuary to do the same, who shall be paid by the company for which the service was
11 rendered. Upon ascertaining the net cash value of policies in force in any company organized under
12 the laws of this State, or doing business in this State, and which has not made the deposit required in
13 section four of this act, the Auditor shall notify said company of the amount, and within thirty days
14 after the date of such notification, it shall be the duty of the officers of such company to deposit with
15 the Auditor the amount of such ascertained valuation of all policies within this State in stocks of the
16 United States or of this State, or any other State of this Union, or in bonds and mortgages on real estate
17 within the limits of this State, or within the State where such company is located, of at least double the
18 value loaned thereon, *provided*, that the joint stock company organized under the laws of this State or
19 doing business therein, shall be required to make such deposit until the cash value of the policies in
20 force, as ascertained by the Auditor, exceeds the amount deposited by said company under section two
21 of this act, and *provided*, that foreign companies doing business in this State, and not required to make
22 a deposit in this State, provided such deposit has been made in the State where located, when they shall
23 have complied with section four of this act.

SEC. 10. On receipt of the deposit and statement from any company, as provided in the preceding
2 sections, and the statement and evidences of investment according to law of foreign companies, which
3 shall be renewed annually, the Auditor shall issue a certificate setting forth the corporate name of the
4 company; its principal office or agency in the State; that it has fully complied with the laws of this
5 State in relation to life insurance companies, and is authorized to transact the business of life insurance
6 for twelve months from the date of such certificate, or until the expiration of the thirty days' notice
7 given by the Auditor of the next annual valuation of its policies. The certificate shall be recorded in
8 the recorder's office of the county in which such principal office is located, in a book prepared for that
9 purpose. A copy of the certificate certified by the Auditor, shall be by the general agent of said
10 company, furnished to each of its local and travelling agents, and said copy shall be their authority
11 for soliciting applications for policies.

SEC. 11. Upon the failure of any company to make the deposit, or file the certificate in the time as
2 stated in this act, the Auditor shall notify the Attorney - General of the default, who shall at once apply
3 to the supreme or district court, if in session, or if in vacation, to any member thereof, for an order
4 requiring said company to show cause why its business shall not be closed; and if upon the hearing the
5 company shall fail to show sufficient cause for neglecting to make the deposit, or filing the certificate
6 required by this act, then if said company was organized under the laws of this State, the court shall
6 decree its dissolution, and if organized or chartered by the laws of any foreign State or country, shall
7 enjoin said company perpetually from transacting business of any life insurance within this State.

SEC. 12. The Auditor may at any time make a personal examination of the books, papers and securities of any life insurance company doing business in this State, or may authorize and empower any other suitable person, to make such examination, and for the purpose of securing a full and true exhibit of its affairs, he or the person selected by him to make such examination, shall have power to examine, under oath, any officer or agent of said company, or others if necessary, relative to its business and management. If upon such examination the Auditor is of opinion that the company is insolvent, or that its condition is such as to render its further proceedings hazardous to the public or to the holders of its policies, he shall communicate the facts to the Attorney General, who shall at once apply to a judge of the supreme or district court to issue an injunction restraining such company from transacting further business (except the payment of losses already ascertained and due) until a full hearing can be had. It shall be discretionary with the judge either to issue the injunction forthwith, or to give notice to the company, and cause a hearing to be had as in ordinary proceedings for an injunction. Upon the final hearing of the cause, he may dissolve or modify the injunction, or make it perpetual, and if made perpetual, shall also decree what disposition shall be made of the deposit of the company in the hands of the Auditor, subject to the provisions of the following section; *provided*, the certificate of the Auditor, Controller, or chief financial officer of any State as to the solvency of any company doing business in this State, shall be taken by the Auditor of this State, as evidence of such solvency.

SEC. 13. The securities of a defaulting or insolvent company on deposit with the Auditor of State, shall vest in the State for the benefit of the policies on which such deposits were made, and the proceeds of the same shall, upon the order of the court, be divided among the holders of said policies in the proportions of the last annual valuation of the same, or applied to the purchase of re-insurance for the benefit of the policy holders.

SEC. 14. Companies shall have the right at any time to change their securities on deposit by substituting for those withdrawn a like amount in other securities of the character provided for in this act, and whenever the annual valuation of policies outstanding and in force against any company, is less than the amount of security then on deposit with the Auditor, said company shall have the right to withdraw such excess; *provided* \$25000 shall remain on deposit.

SEC. 15. The Auditor shall permit companies having on deposit with him stock or bonds as security, to collect the interest accruing on such deposits, delivering to their authorized agents respectively the coupons or other evidences of interest as the same become due, but upon default by any company to deposit additional security as called for by the Auditor, or pending any proceedings to close up or enjoin it, he shall collect the interest as it becomes due, and add the same to the securities in his hands belonging to such company.

SEC. 16. At the earliest practicable date after the returns are received from the several insurance companies, the Auditor shall make a report to the General Assembly of the general conduct and condition of the corporations visited by him since his last annual report, and shall include therein an aggre-

4 gate of the calculated values of all outstanding policies of life insurance, and in connection therewith
5 shall prepare an abstract of all the returns and statements made to him by insurance companies and
6 agents.

SEC. 17. Any company doing business in this State, without the certificate required by section ten
2 of this act, shall forfeit one hundred dollars for every days' neglect to procure said certificate. Any
3 agent making insurance, or soliciting applications for any company having no certificate from the
4 Auditor, shall forfeit the sum of three hundred dollars, and any person acting for a company authorized
5 to transact business in this State, without having a certified copy of the company's certificate, issued by
6 the Auditor of State, in his possession, shall be liable to pay twenty - five dollars for each days' neglect
7 to procure such copy.

SEC. 18 A policy of insurance on the life of an individual, in the absence of an agreement or
2 assignment to the contrary, shall enure to the separate use of the husband or wife and children of said
3 individual, independently of his or her creditors; and an endowment policy payable to the assured on
4 attaining a certain age, shall be exempt from liability for any of his or her debts.

SEC. 19. The Auditor shall charge the following fees: For filing each annual statement, including
2 the first application of any company, the sum of five dollars. For each certificate of authority to do
3 business under this act, one dollar. For annual valuation of policies, five cents on every thousand
4 dollars insured on lives; and this fee shall cover all charges by the State for the safe keeping of deposits
5 made by the companies. For changing securities, by withdrawing one and substituting another, the
6 sum of twenty - five cents for each thousand dollars or fractional part thereof. For making personal
7 examination of the books, papers, and officers of a company, the sum of five dollars a day, for each day
8 so employed and actual traveling expenses. County Recorders shall be permitted to charge the usual
9 fees for recording the original certificate.

SEC. 20. Whenever the existing or future laws of any other State of the United States shall require
2 of insurance companies incorporated by or organized under the laws of this State, any payment of
3 fines, penalties, certificate of authority or license fees greater than the amounts required for such pur-
4 poses from similar companies of other States by the then existing laws of this State, then, and in every
5 such case, all companies of such States establishing or having theretofore established an agency or
6 agencies in this State shall be and are hereby required to pay to said Auditor for fines, penalties,
7 certificate of authority or license fees, an amount equal to the amount of such charges and payments
8 imposed upon or required by the laws of such State, of the companies of this State or the agents
9 thereof.

SEC. 21. The penalties provided for in this act, shall be sued for and recovered in the name of the
2 State of Iowa, by the District Attorney in the District Court of the county in which the company or
3 agent violating shall be situated or reside. Three - fourths of said penalty when recovered, shall be paid

4 into the county treasury for the use of the school fund, and one-fourth to the informer of such
5 violation. In case of non-payment of the penalty, the individual offending shall be liable to impris-
6 onment in the county jail for a period not exceeding three months.

SEC. 22. It shall not be lawful for any company organized under the provisions of this act to invest
2 its funds in any other manner than in the stocks of the United States, of this State, or any other State
3 of this Union if at or above par, in bonds and mortgages or unincumbered real estate within this State,
4 worth at least twice the amount loaned thereon, exclusive of improvements; and all stocks, bonds, or
5 mortgages owned or held by any company doing business under the provisions of this act, whether
6 organized under the laws of this State or not, shall be equal, or made to be equal to six per cent stocks.

SEC. 23. No company organized under this act shall be permitted to purchase, hold, or convey real
2 estate, except for the purposes and in the manner herein set forth, to wit: 1st. Such as shall be
3 requisite for its immediate accommodation in the transaction of its business; or, 2d. Such as shall
4 have been mortgaged to it in good faith by way of security for loans previously contracted, or for
5 moneys due; or, 3d. Such as shall have been conveyed to it in satisfaction of debts previously
6 contracted in the course of its dealings; or, 4th. Such as shall have been purchased at sales upon
7 judgments, decrees, or mortgages obtained or made for such debts; and it shall not be lawful for any
8 company incorporated as aforesaid, to purchase, hold, or convey real estate in any other case, or for any
9 other purpose.

SEC. 24. All such real estate as may be acquired as aforesaid, and which shall not be necessary for the
2 accommodation of such company in the convenient transaction of its business, shall be sold and disposed
3 of within five years after such company shall have acquired title the same, and it shall not be lawful
4 for such company to hold such real estate for a longer period than that above mentioned, unless the
5 said company shall procure a certificate from the Auditor of State that the interests of the company
6 will suffer materially by a forced sale of such real estate, in which event the time for the sale may be
7 extended to such time as the said Auditor shall direct in said certificate.

SEC. 25. All companies organized under the laws of this State, and transacting a life insurance
2 business, at the time of the taking effect of this act, shall within twenty days thereafter comply with
3 the provisions of section two and three hereof in the same manner as companies hereafter organized.
4 And a failure on the part of existing companies to comply with this provision shall subject them and
5 their agents to the penalties named herein.

SEC. 26. Life companies organized under the laws of this State, whether on the stock or mutual
2 plan, may be formed to endure for fifty years, and may be renewed from time to time for a period no
3 greater than at first.

SEC. 27. All acts and parts of acts relating to, or affecting life insurance companies, are hereby
2 repealed.