

February 9, 1965.
Place on Calendar.

House File 211
By COMMITTEE ON COMMERCE.

Passed House, Date 2-17-65 Passed Senate, Date 4/4
Vote: Ayes 97 Nays 21 Vote: Ayes 49 Nays 3

2-16-
Special order of bus 4/17/65
Deferred action 2/17 lost

Approved April 23, 1965

Passed on file 2/19
Commerce 2/23
"do pass" 3/22

A BILL FOR

An Act relating to increase in capital and surplus requirements for insurance companies seeking new licenses in the state of Iowa.

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

1 Section 1. Section five hundred eight point five (508.5),
2 Code 1962, is amended by striking from line six (6) the words
3 "one hundred fifty" and inserting in lieu thereof the words
4 "four hundred".

1 Sec. 2. Section five hundred eight point nine (508.9), Code
2 1962, is amended as follows:

3 1. By striking from line eighteen (18) the word "one" and
4 inserting in lieu thereof the word "three".

5 2. By striking from line thirty-one (31) the word "one" and
6 inserting in lieu thereof the word "three".

1 Sec. 3. Section five hundred fifteen point ten (515.10), Code
2 1962, is hereby repealed and the following enacted in lieu
3 thereof:

4 "Such company shall be possessed, in addition to the required
5 paid-up capital, of a surplus in cash or invested in securities
6 authorized by law of not less than three hundred thousand
7 dollars. If the commissioner of insurance finds that a company
8 offers or plans to offer only one kind of insurance he may reduce
9 the amount of surplus required, but in no event shall it be
10 reduced to less than one hundred thousand dollars."

1 Sec. 4. Section five hundred fifteen point twelve (515.12),
2 Code 1962, is amended as follows:

3 1. By striking from line four (4) of subsection five (5) the
4 word "ten" and inserting in lieu thereof the words "two hundred".

5 2. By striking from lines seven (7) and eight (8) of
6 subsection five (5) the word "twenty-five" and inserting in lieu
7 thereof the words "three hundred".

1 Sec. 5. Section five hundred fifteen point sixty-nine
2 (515.69), Code 1962, is amended as follows:

3 1. By inserting after the word "capital," in line seven (7)
4 the words "and a surplus in cash or invested in securities
5 authorized by law of not less than three hundred thousand
6 dollars,".

7 2. By striking all of such section after the word "therein"
8 in line ten (10) and inserting in lieu thereof a period.

1 Sec. 6. Section five hundred fifteen point seventy-six
2 (515.76), Code 1962, is amended as follows:

3 1. By striking from line five (5) of subsection one (1) the
4 words "two hundred" and inserting in lieu thereof the words
5 "three hundred".

6 2. By striking from line seven (7) of subsection two (2) the
7 word "fifty" and inserting in lieu thereof the words "three
8 hundred".

9 3. By striking from line nine (9) of subsection two (2) the
10 word "fifty" and inserting in lieu thereof the words "three
11 hundred".

12 4. By striking from line fourteen (14) of subsection two (2)
13 the words "two hundred" and inserting in lieu thereof the words
14 "three hundred".

15 5. By striking from line twenty-five (25) of subsection two
16 (2) the words "two hundred" and inserting in lieu thereof the
17 words "three hundred".

1 Sec. 7. Section five hundred fifteen point seventy-seven
2 (515.77), Code 1962, is amended by striking from line five (5)
3 the word "shall" and inserting in lieu thereof the word "may".

1 Sec. 8. Section five hundred twenty point four (520.4), Code
2 1962, is amended as follows:

3 1. By striking from line three (3) of subsection seven (7)
4 the word "fifty" and inserting in lieu thereof the words "three
5 hundred".

6 2. By striking all of subsection seven (7) following the word
7 "dollars" in line four (4).

1 Sec. 9. Section five hundred twenty point nine (520.9), Code
2 1962, is amended as follows:

3 1. By striking from line twenty-two (22) the word "two" and
4 inserting in lieu thereof the word "three".

5 2. By striking from line thirty-two (32) the word "two" and
6 inserting in lieu thereof the word "three".

7 3. By striking from line forty (40) the word "one" and
8 inserting in lieu thereof the word "three".

9 4. By striking from lines forty-one (41), forty-two (42),
10 forty-three (43), and forty-four (44), the words "as to employers
11 liability or workmen's compensation insurance, or less than fifty
12 thousand dollars as to other classes of insurance".

EXPLANATION OF HOUSE FILE 211

Many of the capital and surplus requirements of the present statutes were drafted years ago when the value of the dollar was substantially greater than it is today. This has made it possible to start new companies with less than an adequate amount of money to insure financial stability. This bill would place these requirements in a position more in keeping with the present value of the dollar.