

April 27, 1967
Place On Calendar

Commerce 5-9, Pass as amended 5-24

By COMMITTEE ON COMMERCE

Passed House, Date 5-8-67

Passed Senate, Date 6-16-67

Vote: Ayes 93 Nays 0

Vote: Ayes 43 Nays 1

Approved June 30, 1967

*Passed House per
Senate amendment
6-20; 95-0.*

A BILL FOR

An Act relating to subsidiary companies of fire and casualty insurance companies.

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

1 Section 1. Chapter five hundred fifteen (515), Code
2 1966, is hereby amended by adding thereto the following
3 section:

4 "Any insurance company incorporated in this state may
5 organize, or acquire by purchase, in whole or in part,
6 subsidiary insurance and investment companies in which it
7 owns not less than fifty-one (51) percent of the common
8 stock, and notwithstanding any other provisions of this
9 chapter inconsistent herewith, may:

- 10 1. Invest funds from surplus for such purpose.
- 11 2. Make loans to such subsidiaries.
- 12 3. Permit all or part of its officers and directors to
- 13 serve as officers or directors of any such subsidiary
- 14 companies."

EXPLANATION

This bill will clarify the law with regard to the investment of fire and casualty insurance companies in life insurance subsidiaries. Life insurance companies now have a similar right, with regard to investments in fire and casualty subsidiaries, under Section 508.33 of the Code, but this right has not been definitely spelled out with regard to fire and casualty insurance companies.

1 Amend House File 696 by striking from lines eight
2 (8) and nine (9) the following: "not withstanding
3 any other provisions of this chapter inconsistent
4 herewith," and substituting therefore the following:
5 "subject to the approval of the Insurance Commissioner
6 and provided that no company invest an amount in excess
7 of thirty percent (30%) of its capital and surplus in
8 the stock of such subsidiary companies,".

Filed - *Adopted 6-16*
June 5, 1967

By RIGLER

1 Amend House File 696 by striking from lines eight (8) and nine
(9)
2 the following: "and not withstanding any other provisions of
this
3 chapter inconsistent herewith," and substituting therefor the
4 following: "and subject to the other provisions of this chapter
5 regulating investments,".

Filed - *Withdrawn 6-16*
May 24, 1967

By COMMITTEE ON COMMERCE

1 Amend House File 696 as follows:
2 By striking in section 1 from lines 8 and 9 the words "not-
3 withstanding any other provisions of this chapter inconsistent
4 herewith," and by inserting in lieu thereof the following:
5 "subject to the approval of the Insurance Commissioner and
6 provided that no company invest an amount in excess of thirty
7 percent (30%) of its capital and surplus in the stock of such
8 subsidiary companies,".

As Adopted by the Senate, *Have concurred 6-20*