

FEB 15 1973

HOUSE FILE 222

Place On Calendar

BY COMMITTEE ON COMMERCE

Gen. Commerce 3/9, Pass 4/10

House File 222
Palmer, Chairman
Briles
Taylor

Passed House, Date 2-6-73 (495) Passed Senate, Date 6-11-73 (1651)

Vote: Ayes 88 Nays 0 Vote: Ayes 43 Nays 6

Approved 6-19-73

A BILL FOR

1 An Act relating to the powers of the commissioner of
2 insurance.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section five hundred five point eight (505.8),
2 Code 1973, is amended to read as follows:

3 505.8 GENERAL POWERS AND DUTIES. The commissioner of
4 insurance shall be the head of the insurance department, and
5 shall have general control, supervision, and direction over
6 all insurance business transacted in the state, and shall
7 enforce all the laws of the state relating to such insurance.

8 He shall, subject to the provisions of chapter seventeen
9 A (17A) of the Code, establish, publish and enforce rules
10 not inconsistent with law for the enforcement of the provisions
11 of this title and for the enforcement of the laws, the adminis-
12 tration and supervision of which are imposed on the depart-
13 ment.

14 He shall supervise all transactions relating to the organ-
15 ization, reorganization, liquidation, and dissolution of
16 domestic insurance corporations, and all transactions leading
17 up to the organization of such corporations.

18 He shall also supervise the sale in the state of all stock,
19 certificates, or other evidences of interest, either by domes-
20 tic or foreign insurance companies or organizations proposing
21 to engage in any insurance business.

22 Sec. 2. Section five hundred twenty-two point three
23 (522.3), unnumbered paragraph one (1), Code 1973, is amended
24 to read as follows:

25 The commissioner shall require of each first-time applicant
26 such reasonable proof of character and competency with respect
27 to the type and kind of insurance the applicant proposes to
28 sell as will protect public interest, before issuing such
29 license and may, for good cause, after hearing held within
30 sixty days from the date of application, decline to issue
31 such license. Any license, whether it be a first-time or
32 renewal license, may be suspended or revoked by the
33 commissioner for good cause, after hearing. ~~The commissioner~~
34 ~~is authorized and directed to establish and publish reasonable~~
35 ~~rules and regulations setting forth the required qualifications~~

1 ~~for such license.---Competency for any applicant not previously~~
2 ~~licensed shall be established in accordance with the rules~~
3 ~~and regulations established by the commissioner as provided~~
4 ~~herein.~~ The commissioner may issue a temporary license for
5 a period of not to exceed six months and for such temporary
6 license may waive the requirements established herein.

7 Sec. 3. Section five hundred seven A point four (507A.4),
8 subsection one (1), Code 1973, is amended to read as follows:

9 1. The lawful transaction of surplus lines insurance as
10 permitted by sections 515.147 through ~~545.450~~ five hundred
11 fifteen point one hundred forty-nine (515.149) of the Code.

12 Sec. 4. Section five hundred fifteen point one hundred
13 forty-nine (515.149), Code 1973, is amended to read as follows:

14 515.149 INFORMATION REQUIRED. The information required
15 of nonadmitted insurers under section 515.148 may consist
16 of a copy of such insurer's current annual statement, duly
17 verified, or evidence of any trust funds or deposits main-
18 tained by such insurers for the protection of their policy-
19 holders, or both, or other material of such general descrip-
20 tion and relevancy, as the commissioner may require. Such
21 information shall be furnished at the sole cost and expense
22 of the unauthorized insurers either to the commissioner
23 directly, or furnished to the National Association of Insur-
24 ance Commissioners for the use of its members and their staffs,
25 including the commissioner of insurance of this state and
26 his staff, or for dissemination to him by the Central
27 Nonadmitted Insurers Information Bureau of the said associ-
28 ation or by any other agency or instrumentality of that
29 association designed to receive and disseminate such informa-
30 tion. The provisions of sections 515.147 to ~~545.450~~ five
31 hundred fifteen point one hundred forty-nine (515.149) of
32 the Code, inclusive, shall not apply to insurance of vessels,
33 craft or hulls, cargoes, marine builder's risk, marine pro-
34 tection and indemnity or other risk including strikes and
35 war risks commonly insured under ocean or wet marine forms

1 of policy.

2 Sec. 5. Section five hundred fifteen point one hundred
3 fifty (515.150), Code 1973, is repealed.

4 EXPLANATION

5 This bill gives the commissioner of insurance the rule-
6 making power to administer the provisions of the Code for
7 which the insurance department is responsible. It insures
8 that no administrative responsibilities are given in other
9 sections of the Code without the necessary rule-making
10 authority.

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