

APR 12 1973

HOUSE FILE 639

Place On Calendar

*Sen. Commerce 5/1, Pass 5/31
Recl 1/14/74, Pass 1/16*

By COMMITTEE ON COMMERCE

Passed House, Date 4-27-73 (1052) Passed Senate, Date 1-21-74

Vote: Ayes 37 Nays 0 Vote: Ayes 39 Nays 0

Approved 2-20-74

A BILL FOR

1 An Act relating to the annual certificate of authority of
2 insurance companies.

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

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1 Section 1. Section five hundred eight point thirteen
2 (508.13), Code 1973, is amended to read as follows:

3 508.13 ANNUAL CERTIFICATE OF AUTHORITY. On receipt of
4 the deposit provided in subsection 13 of section 511.8 and
5 the statement, and the statement and evidence of investment
6 of foreign companies, all of which shall be renewed annually,
7 by the first day of March, the commissioner of insurance
8 shall issue a certificate setting forth the corporate name
9 of the company, its home office, that it has fully complied
10 with the laws of the state and is authorized to transact
11 the business of life insurance for the ensuing year, which
12 certificate shall expire on the first day of ~~April~~ May of
13 the ensuing year, or sooner upon thirty days' notice given
14 by the commissioner, of the next annual valuation of its
15 policies. Such certificate shall be renewed annually, upon
16 the renewal of the deposit and statement by a domestic
17 company, or of the statement and evidence of investment by
18 a foreign company, and compliance with the conditions above
19 required, and be subject to revocation as the original
20 certificate.

21 Sec. 2. Section five hundred ten point fourteen (510.14),
22 Code 1973, is amended to read as follows:

23 510.14 CERTIFICATE OF AUTHORITY. Upon compliance with
24 the provisions of this chapter by an association, the commis-
25 sioner of insurance shall issue to it a certificate, setting
26 forth that it has fully complied with the provisions of this
27 chapter, and is authorized to transact business for a period
28 of one year from ~~April~~ May first of the year of its issue.

29 Sec. 3. Section five hundred fifteen point forty-two
30 (515.42), Code 1973, is amended to read as follows:

31 515.42 TENURE OF CERTIFICATE--RENEWAL--EVIDENCE. Such
32 certificate of authority shall expire on the first day of
33 ~~April~~ May next succeeding its issue, and shall be renewed
34 annually so long as such company shall transact business in
35 accordance with the requirements of law; a copy of which

1 certificate, when certified to by the commissioner of
2 insurance, shall be admissible in evidence for or against
3 a company with the same effect as the original.

4 EXPLANATION

5 At the present time the annual statements of insurance
6 companies as of December 31st are not required to be filed
7 with the Department of Insurance until March 1st. Since
8 the annual renewal of the Certificate of Authority expires
9 on April 1st of each year, only a month's period is avail-
10 able to review the annual statements and the premium tax
11 returns. (It should be noted that there are in excess of
12 1,000 companies currently licensed in Iowa.) An additional
13 thirty-days' time to review these documents and make a
14 determination that the Company's Certificate of Authority
15 should be renewed is necessary.

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