

SEC. 3. Should the board of directors of any state or savings bank organized under the laws of this state, the capital of which now is, or hereafter may become impaired, neglect or refuse to proceed as provided in section 1 of this act, they shall by reason of such neglect or refusal, for a period of ten days after being requested in writing by the owner of two-thirds of the stock of such bank by and with the consent of the auditor of state, become individually liable for the amount of such deficiency and said liability may be enforced at law by any creditor of or stockholder in the association; or in case of its subsequent insolvency, by the receiver thereof.

Liability of directors for neglect to proceed under sec. 1.

SEC. 4. This act shall be in force and effect from and after its publication in the Iowa State Register and Des Moines Leader, newspapers published in the city of Des Moines, Iowa.

Publication clause.

Approved April 24th, 1894.

I hereby certify that the foregoing act was published in the Iowa State Register May 5 and in the Des Moines Leader May 4, 1894.

W. M. MCFARLAND, Secretary of State.

CHAPTER 30.

AN ACT providing for the better security of State banks.

S. F. 122.

*Be it enacted by the General Assembly of the State of Iowa:*

SECTION 1. No director or trustee of a state bank shall as such receive any pay or emolument for his services; and no trustee, officer or servant of such state bank shall, directly or indirectly in any manner, use the funds of the said bank, or its deposits, or any part thereof, except for regular business transactions, and all loans made to said directors, officers, servants and agents of the bank shall be upon the same security (as) required of others, and in strict conformity to the rules and regulations of the bank; and all such loans shall be made only by the board, and shall be acted upon in the absence of the party applying therefor. Reasonable compensation may be paid to the officers of the bank as may be provided for in the by-laws.

Bank directors or trustees not to receive compensation.

Officers of bank to use funds only on same security as required of others.

SEC. 2. The total liabilities to any state bank of any person, or of any company, corporation, or firm, for money borrowed, including the liabilities of a company or firm, the liabilities of the several members thereof, shall at no time exceed twenty per cent of capital stock actually paid in.

Liabilities of certain banks not to exceed 20 per cent of paid in stock

SEC. 3. Any officer, agent or clerk of any state bank, who shall willfully and knowingly subscribe or make any false statements or false entries in the books of said bank, or shall knowingly subscribe or exhibit false papers with the intent to deceive any person authorized to examine as to the condition of said institution, or shall willfully and knowingly subscribe and make false reports, or who shall willfully and knowingly divert the funds of the bank to other objects than those mentioned in its certificate of incorporation, shall be deemed

False statements or entries.

Guilty of felony. Penalty. guilty of felony and upon conviction thereof shall be fined not exceeding five thousand dollars (\$5,000) and be imprisoned in the state prison not less than two nor more than five years, and be forever after incapable of holding office in any state bank in this state.

Examining committee. Duties. SEC. 4. The board of directors or trustees of each state bank shall annually appoint from its members, an examining committee, whose duty it shall be to examine the condition of the bank at least once every quarter; and shall report to the board, who shall have said report recorded in the minute book of the bank.

Publication clause. SEC. 5. This act being deemed of immediate importance shall take effect from and after its publication in the Iowa State Register and the Des Moines Daily Leader, newspapers published in the city of Des Moines, Iowa.

Approved April 24th, 1894.

I hereby certify that the foregoing act was published in the Iowa State Register May 1st and in the Des Moines Leader May 2nd, 1894.

W. M. MCFARLAND, Secretary of State.

## CHAPTER 31.

H. F. 397. AN ACT to declare void certain provisions in policies of fire insurance, and to require the auditor to refuse to authorize insurance companies whose policies contain such provisions to do business in this State.

*Be it enacted by the General Assembly of the State of Iowa:*

Provision in insurance policy stipulating that the assured shall maintain insurance to any extent, void. SECTION 1. That any provision, contract or stipulation contained in any contract policy of insurance, issued or made by any fire insurance company, association or corporation insuring any property within this state whereby it is provided or stipulated that the assured shall maintain insurance on any property covered by the policy to the extent of eighty per cent on the value thereof, or to any extent whatever, and any provision or stipulation in any such contract or policy of insurance that the assured shall be an insurer of the property insured to any extent; and any provision or stipulation in any such contract or policy to the effect that the assured shall bear any portion of the loss on the property insured, are hereby declared to be null and void, and the liability of the company, association or corporation issuing the policy, shall be the same as if no such agreement, stipulation or stipulations were contained in policy or contract.

Assured need not contract to bear any portion of loss.

Duty of state auditor to examine form of policy contracts.

May refuse to authorize companies to do business in the state.

SEC. 2. It shall be the duty of the Auditor of State to examine the form of all policy contracts hereafter issued or proposed to be issued by any Fire Insurance Company, association or corporation now authorized by law, or that may hereafter apply to be authorized, to transact the business of Fire Insurance in this State, and he shall refuse to authorize any such company, association or corporation to do business in this State, and shall not renew the authority, or certificates