

failure to pay the full limit named in its policies of insurance shall be evidence of such insolvency, he shall, at the expense of such corporation or association, cause an examination of its books, papers, and business; and if upon such examination he finds such corporation or association not to be financially sound, or that it is not paying its policies in full, or that it is conducting its business fraudulently, or that it has failed to make the statement required by law, he may revoke its authority and prohibit it from doing business in this state until it shall in all respects comply with the provisions of this act. If the auditor appoints some person not receiving a regular salary in his office to make such examination, the person so appointed and making such examination shall receive five dollars per day for his services, and in addition thereto his traveling and hotel expenses, which amounts shall be paid by the corporation or association examined, or by the state, upon the approval of the executive council, if such corporation or association fails to pay the same. No insurance corporation, company, or association incorporated and doing business under the provisions of this act shall pay its officers or agents any compensation in excess of the fair and reasonable value of such services to the corporation; and any excess of compensation so paid may be recovered in an action brought in a court of competent jurisdiction against any officer or agent receiving such compensation, or any officer knowingly consenting to the allowance thereof within three years from the receipt of said illegal compensation. Said action may be brought in the name of the insurance company or association, or may be brought in the name of any share holder or policy holder for the benefit of such share holder or policy holder.

SEC. 15. What statutes apply. The provisions of sections seventeen hundred and seventy (1770), seventeen hundred and seventy five (1775), seventeen [hundred] and eighty five (1785), seventeen hundred and eighty-nine (1789), seventeen hundred and ninety (1790), seventeen hundred and ninety one (1791), seventeen hundred and ninety-two (1792), seventeen hundred and ninety-three (1793), seventeen hundred and ninety-five (1795), eighteen hundred and thirty-nine (1839), chapter (8), and the provisions of chapter eight (8), of title nine (9) of the code, and all acts amendatory of said sections and chapter, and all statutes now or hereafter enacted affecting life insurance companies so far as applicable and not inconsistent with this act shall apply to and control corporations organized under this act.

SEC. 16. Penalty. Any company, corporation, or association transacting, attempting, or claiming to transact business under this act, or using the term "stipulated premium" in its applications, policies, contracts, advertisements, or literature, without having complied with the provisions hereof, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in a sum not exceeding five hundred dollars.

SEC. 17. In effect. This act, being deemed of immediate importance, shall be in force from and after its publication in the Des Moines Leader and the Iowa State Register, newspapers published at Des Moines, Iowa.

Approved April 7, 1900.

I hereby certify that the foregoing act was published in the Des Moines Leader April 10, 1900, and in the Iowa State Register April 12, 1900.

G. L. DOBSON,
Secretary of State.

CHAPTER 66.

RELATING TO LOANS ON INSURANCE POLICIES.

H. F. 174.

AN ACT to amend section eighteen hundred and six (1806) of the code, relating to loans on life insurance policies.

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

SECTION 1. Loans on policies. Section eighteen hundred and six (1806) of the code is hereby amended by striking out paragraph "6" of said section and enacting in lieu thereof as follows:

"6. Loans upon its own policies, in an amount not exceeding the net terminal reserve or advanced insurance fund against the same, as shown by the valuation thereof made under the direction of the auditor of state. If such loan is made the company must describe in the note or contract taken the amount of the loan, the name of the borrower, the number of the policy, or such description, satisfactory to the auditor of state, whereby the terms of such note or contract makes the amount loaned a lien against such policy, and such note or contract shall be numbered, dated, and signed, giving the postoffice address of the insured. All such securities shall be deposited with the auditor of state, who shall furnish the company or association depositing them a certificate, under the seal of his office, showing the purpose of the deposit and to what fund it is to be applied when paid."

Approved April 7, 1900.

CHAPTER 67.

RELATING TO SAVINGS BANKS.

S. F. 8.

AN ACT to add to chapter ten (10) of title nine (9) and to amend sections one thousand eight hundred and forty-eight (1848) and one thousand eight hundred and fifty-two (1852) of the code, relating to savings banks.

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

SECTION 1. Surplus fund—how invested. That chapter ten (10) of title nine (9) of the code be amended by adding thereto the following:

"The directors of any savings bank may set apart from its earnings, over and above expenses, any desired sum as a surplus fund, to be maintained as such, separate and apart from earnings usually carried and designated as undivided profits, and which surplus fund shall not be drawn upon for the payment of expenses or dividends, except that it may be made use of as a stock dividend for increasing the capital of the bank. Such surplus fund shall be invested in the same manner as the capital of the bank, as provided in section eighteen hundred and forty-eight (1848) of this chapter. The directors may transfer said surplus fund, or any part of the same, back to the undivided profits account, and make use of the same, when so transferred, for the payment of expenses and dividends when the deposits of the bank shall be less than ten times the capital, or capital and remaining surplus, and not otherwise."

SEC. 2. Deposits. That section eighteen hundred and forty-eight (1848) of the code is hereby amended by striking out the first four lines of the same and inserting in lieu thereof the following:

"Any savings bank organized under this chapter may receive on deposit money equal to ten times the aggregate amount of its paid-up capital and surplus, and no greater amount of deposits shall be received without a corresponding increase of the aggregate paid-up capital and surplus, which capital and surplus shall be a guaranty."

SEC. 3. Interest—dividends. That section eighteen hundred and fifty-two (1852) of the code is hereby amended by striking out the word