

he shall have been divested of his title thereto by execution sale. But nothing contained in this section shall in any manner conflict with any provision in the articles of incorporation, or the by-laws of the corporation issuing the stock.

Approved March 21, A. D. 1904.

CHAPTER 56.

EXAMINATION OF INSURANCE COMPANIES.

H. F. 144.

AN ACT to provide for the examination of insurance companies. [Amendatory of chapters four (4), five (5), six (6), seven (7) and eight (8) of title nine (IX) of the code, relating to insurance.]

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

SECTION 1. Examination authorized—at least biennially. The auditor of state may, at any time he may deem it advisable, make an examination of or inquire into the affairs of any insurance company authorized or seeking to be authorized to transact business within this state, provided that such examination shall not be less frequent than once during each biennial period.

SEC. 2. Companies to assist—administer oaths. When any company is being examined, the officers, employes or agents thereof shall produce for inspection all books, documents, papers or other information concerning the affairs of such company, and shall otherwise assist in such examination so far as they can do. The auditor of state, or his legally authorized representative in charge of the examination, shall have authority to administer oaths and take testimony bearing upon the affairs of any company under examination.

SEC. 3. Examiner—assistants—compensation—expenses—how paid. For the purpose of carrying into effect the provisions of this act, the auditor of state is hereby authorized to appoint an insurance examiner, who shall also be a competent actuary, who shall receive for his services a salary of two thousand dollars per year, and who, while conducting examinations, shall possess all the powers conferred upon the auditor of state for such purposes. Said examiner shall give bond to the state conditioned upon the faithful performance of his duties, in the sum of five thousand dollars, which bond shall be filed with and approved by the auditor of state. The entire time of the examiner shall be under the control of the auditor of state, and shall be employed as he may direct. The auditor of state may, when in his judgment it is advisable, appoint assistants to aid in making examinations. Such assistants shall receive as compensation for their services not to exceed five dollars per day each. Said examiner and assistants shall receive no other or further compensation than as above provided, except that they and the auditor of state shall receive actual and necessary traveling, hotel and other expenses while engaged in conducting examinations away from their respective places of residence. Such expenses, together with the compensation of the assistants, shall be paid by the treasurer of state, upon warrants drawn by the auditor of state, bills for the same having first been approved by the executive council. Such bills shall be filed under oath of the party incurring the expense and shall be approved by the person in charge of the examination. The salary of the examiner shall be paid as are the salaries of other employes of the auditor's office. All bills for expenses of any examination, together with the compensation of the assistants, shall be charged to and paid by the companies examined, and upon failure or refusal of any company examined to pay such bill or bills, the same may be recovered in an

action brought in the name of the state under the direction of the executive council, and the auditor may also revoke the certificate of authority of such company to transact business within this state. All fees collected under the provisions of this chapter shall be paid to the auditor of state and shall be by him turned into the state treasury as are other fees of his office.

SEC. 4. Revocation of certificate—publication of results of examination. If upon investigation or examination, it shall appear that any company is insolvent or in an unsound condition, or is doing an illegal or unauthorized business, or that it has refused or neglected for more than thirty days to pay final judgment rendered against it in the courts of this state, the auditor of state may suspend its authority to transact business within this state until it shall have complied in all respects with the laws applicable to such company or has paid such judgment, or he may revoke its certificate of authority to transact business within this state and having revoked the certificate of any company organized under the laws of this state, he shall at once report the same to the attorney-general, who shall apply to the district court or any judge thereof for the appointment of a receiver to close up the affairs of said company; provided that in the case of companies organized on the stock plan under the provisions of chapter four, title IX of the code, the above named officers shall proceed as provided in sections seventeen hundred thirty-one (1731) and seventeen hundred thirty-two (1732) of the code; and in case of companies organized under the provisions of chapter six, title IX of the code, said officers shall proceed as provided in sections seventeen hundred seventy-seven (1777) and seventeen hundred seventy-eight (1778) of the code, and no receiver shall be appointed for any company contemplated by this chapter except upon application of the attorney-general, unless five days notice shall have been served upon the auditor of state and attorney-general, stating the time and place of the hearing of such application, at which time and place said officers shall have the right to appear and be heard as to such application and appointment. The results of any examination shall be published in one or more newspapers of the state or in pamphlet form, when in the opinion of the auditor of state the interests of the public require it.

SEC. 5. Transfer of stock pending examination. Any transfer of stock of any company, pending an investigation, shall not release the party making the transfer from any liability for losses that may have occurred previous to such transfer.

SEC. 6. Soliciting business after revocation of authority—penalty. Any officer, manager, agent or representative of any insurance company contemplated by this act, who, with knowledge that its certificate of authority has been suspended or revoked, or that it is insolvent, or is doing an unlawful or unauthorized business, solicits insurance for said company, or receives applications therefor, or does any other act or thing toward receiving or procuring any new business for said company, shall be deemed guilty of a misdemeanor and shall be subject to the penalties provided in section eighteen hundred fourteen (1814) of the code, and the provisions of said section are hereby extended to all companies contemplated by this act.

SEC. 7. Refusing to be examined—penalty. Should any company decline or refuse to submit to an examination as in this act provided, the auditor of state shall at once revoke its certificate of authority, and if such company is organized under the laws of this state, he shall report his action to the attorney-general, who shall at once apply to the district court or a judge thereof for the appointment of a receiver to wind up the affairs of the company.

SEC. 8. Non-resident companies. Examination of insurance companies not located within this state shall only be made by order of the executive council, and at such time as it may direct.

SEC. 9. "Company" defined. The word "company" as used in this act shall mean all companies or associations organized under the provisions

of chapters four, five, six, seven or eight of title nine of the code, except county mutuals, and all companies or associations admitted or seeking to be admitted to this state under the provisions of any of the chapters herein referred to.

SEC. 10. Acts in conflict—repealed. All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

SEC. 11. In effect. This act, being deemed of immediate importance, shall take effect and be in force from and after the date of its publication in the "Register and Leader," and the "Des Moines Daily Capital," newspapers published in the city of Des Moines, Iowa.

Approved March 17, A. D. 1904.

I hereby certify that the foregoing act was published in the Des Moines Daily Capital, March 18, 1904, and the Register and Leader, March 19, 1904.

W. B. MARTIN,
Secretary of State.

CHAPTER 57.

LICENSING OF INSURANCE AGENTS.

H. F. 888.

AN ACT to provide for the licensing of agents of insurance companies and associations. [Amendatory of chapters four (4), five (5), six (6), seven (7) and eight (8) of title nine (IX) of the code, relating to insurance.]

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

SECTION 1. Agent must be licensed—Auditor may revoke license. No person shall directly or indirectly, act within this state as agent or otherwise, in receiving or procuring applications for insurance, or in doing or transacting any kind of insurance business for any company or association, other than county mutuals or fraternal beneficiary associations, until he has procured from the auditor of state a license authorizing him to act for such company or association as agent which license shall terminate at the end of the insurance year for which such company or association is authorized to transact business. The auditor of state may, for good cause, decline to issue such license or may, for like cause, revoke the same. The fee charged for such agent's license shall be, for domestic companies, fifty cents, and for companies located outside the state, two dollars.

SEC. 2. Acting without license—penalty. Any person acting as agent or otherwise representing any insurance company or association, in violation of the provisions of this act, shall be liable to a fine of twenty-five dollars for each day he shall so act.

SEC. 3. In effect. This act, being deemed of immediate importance, shall take effect and be in force from and after the date of its publication in the "Register and Leader" and the "Des Moines Daily Capital," newspapers published in the city of Des Moines, Iowa.

Approved April 9, A. D. 1904.

I hereby certify that the foregoing act was published in the Register and Leader, April 12, 1904, and in the Des Moines Daily Capital, April 13, 1904.

W. B. MARTIN,
Secretary of State.