

That paragraph eight (8) of section five thousand six hundred twenty-seven (5627) of the supplement to the compiled code, relating to insurance other than life, is amended, revised, and codified to read as follows:

1 **SEC. 16. Kinds of insurance.** Insure or guarantee and indemnify
 2 merchants, traders, and those engaged in business and giving credit
 3 from loss and damage by reason of giving and extending credit to
 4 their customers and those dealing with them, which business shall
 5 be known as credit insurance. Such insurance may cover losses, less
 6 a deduction of an agreed percentage, not to exceed ten per cent (10%),
 7 representing anticipated profits, and a further deduction not to exceed
 8 thirty-three and one-third per cent (33-1/3%), on losses on credits
 9 extended to risks who have inferior ratings, and less an agreed deduc-
 10 tion for normal loss.

That chapter four (4), of title XVIII. of the compiled code, relating to assessment insurance, is hereby amended by inserting after section five thousand five hundred nine (5509) the following:

1 **SEC. 17. Assessment insurance—right of member to vote.** Every
 2 member of any association organized under the provisions of this
 3 chapter shall be entitled to vote, either in person or by proxy, at every
 4 regular and special meeting of such association. No such association
 5 shall limit the right of any member to so vote, unless the proposal
 6 to limit shall have first been submitted to the entire membership for
 7 vote and shall have been approved by a majority of those voting.

1 **SEC. 18. Publication.** This act, being deemed of immediate im-
 2 portance, shall take effect and be in force from and after its publica-
 3 tion in the Des Moines Register and Des Moines Daily Capital, news-
 4 papers published in the city of Des Moines, Iowa.

Approved April 17, A. D. 1924.

I hereby certify that the foregoing act was published in the Des Moines Register April 19, 1924, and the Des Moines Capital April 19, 1924.

W. C. RAMSAY, *Secretary of State.*

CHAPTER 10

BANKING

H. F. 208

AN ACT to amend, revise, and codify sections five thousand seven hundred forty-one (5741), five thousand seven hundred forty-two (5742), five thousand seven hundred forty five (5745), five thousand seven hundred forty-nine (5749) and five thousand seven hundred fifty-two (5752) of the compiled code of Iowa, relating to the banking department.

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

That sections five thousand seven hundred forty-one (5741), five thousand seven hundred forty-two (5742), and five thousand seven hundred forty-nine (5749) of the compiled code of Iowa are amended, revised, and codified to read as follows:

1 SECTION 1. **Banking department—superintendent.** The superin-
2 tendent of banking shall have his office at the seat of government. His
3 regular term of office shall be four (4) years from the first day of
4 July of the year of his appointment.

1 SEC. 2. **Appointment—qualifications.** The governor shall, within
2 sixty (60) days following the organization of the regular session
3 of the general assembly in nineteen hundred twenty-five (1925), and
4 each four (4) years thereafter, appoint, with the approval of two-
5 thirds ($\frac{2}{3}$) of the members of the senate in executive session, a
6 superintendent of banking. Such appointee shall be selected solely
7 with regard to his qualification and fitness to discharge the duties
8 of his office, and no person shall be appointed who has not had at
9 least five (5) years' executive experience in a state or savings bank
10 in the state.

1 SEC. 3. **Confirmation.** No nomination shall be considered by the
2 senate until the same has been referred to a committee of five (5),
3 not more than three (3) of whom shall belong to the same political
4 party. Said committee shall be appointed by the president of the
5 senate, without motion, and shall report to the senate in executive
6 session. The consideration of nominations by the senate shall not be
7 had on the same legislative day that appointments are so referred.

1 SEC. 4. **Vacancies.** Vacancies that may occur while the general
2 assembly is not in session shall be filled by appointment by the gov-
3 ernor, which appointment shall expire at the end of thirty (30) days
4 from the time the general assembly next convenes. Prior to the
5 expiration of said thirty (30) days the governor shall transmit to
6 the senate for its confirmation an appointment for the unexpired por-
7 tion of the regular term. Vacancies occurring during a session of
8 the general assembly shall be filled as regular appointments are made
9 and before the end of said session, and for the unexpired portion of
10 the regular term.

That section five thousand seven hundred forty-five (5745) of the com-
piled code of Iowa is amended, revised, and codified to read as follows:

1 SEC. 5. **Deputy superintendent—bank examiners—number of em-**
2 **ployees.** The superintendent of banking may appoint such examiners,
3 to hold office for a term of two years, but not to exceed one examiner
4 for each one hundred banks, or major fraction thereof, under his
5 supervision; and may also appoint a deputy superintendent of bank-
7 ing, who shall perform the duties attached to the office of the super-
8 intendent of banking during the absence or the inability of the super-
9 intendent, and as directed by him, and may also appoint such clerks,
10 stenographers, and special assistants as he may need to discharge in
11 a proper manner the duties imposed upon him by law; but the total
12 number, including the deputy superintendent, shall not exceed one
13 for each two hundred banks and trust companies, or major fraction
14 thereof, under his supervision.

15 Provided, that whenever the proper conduct of the affairs of the
16 office demand, he may with the approval of the executive council,
17 appoint for a term not to exceed one year such additional bank exam-
18 iners and employees as may be necessary, any provision of the law
19 for said department to the contrary notwithstanding. Such additional

20 examiners or employees shall be paid out of current or accumulated
 21 earnings of the banking department, their salaries not to be greater
 22 than those of other similar employees authorized by law. All such
 23 appointees shall be removable at the pleasure of the said superin-
 24 tendent.

That section fifty-seven hundred fifty-two (5752) of the compiled code of Iowa is amended, revised, and codified to read as follows:

1 **SEC. 6. Annual report.** The superintendent of banking shall, at
 2 the time provided by law, make an annual report as to the condition
 3 of every bank from which reports have been received, and may em-
 4 brace in said report such observations and recommendations as he
 5 may deem of value.

1 **SEC. 7. Publication.** This act, being deemed of immediate im-
 2 portance, shall be in full force and effect from and after publication
 3 in the Des Moines Daily News and Plain Talk, newspapers published
 4 in the city of Des Moines, Iowa.

Approved February 15, A. D. 1924.

I hereby certify that the foregoing act was published in the Des Moines News February 19, 1924, and Plain Talk, Des Moines, February 21, 1924.

W. C. RAMSAY, *Secretary of State.*

CHAPTER 11

COOPERATIVE ASSOCIATIONS

S. F. 203

AN ACT to amend, revise, and codify sections five thousand three hundred ninety-eight (5398) and five thousand four hundred one (5401) of the compiled code of Iowa, and section five thousand four hundred eight-a one (5408-a1) of the supplement to the compiled code, relating to cooperative associations.

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

That section five thousand three hundred ninety-eight (5398) of the compiled code of Iowa is amended, revised, and codified to read as follows:

1 **SECTION 1. May issue shares.** Whenever an association created
 2 under this chapter shall purchase the business of another association,
 3 person, or persons, it may pay for the same in whole or in part by
 4 issuing to the selling association or person shares of its capital stock
 5 to an amount, which at fair market value as determined by the execu-
 6 tive council, would equal the fair market value of the business so
 7 purchased as determined by the executive council as in cases of other
 8 corporations.

That section five thousand four hundred one (5401) of the compiled code of Iowa is amended, revised, and codified to read as follows:

1 **SEC. 2. Reserve fund out of profits.** The board of directors, sub-
 2 ject to revision by the association at any general or special meeting,
 3 shall each year set aside not less than ten per cent (10%) of the net
 4 profits for a reserve fund, until an amount has accumulated therein
 5 equal to fifty per cent (50%) of the paid up capital stock.