

3 distribute, for the purposes specified in its articles of incorporation,  
4 for each taxable year, amounts at least sufficient to avoid liability for  
5 the tax imposed by section four thousand nine hundred forty-two (a)  
6 [4942(a)] of the Internal Revenue Code of 1954.

1 SEC. 4. Nothing in this Act shall impair the rights and powers of  
2 the courts or the attorney general of this state with respect to any  
3 corporation.

1 SEC. 5. All references to sections of the Internal Revenue Code of  
2 1954 shall mean the Code as amended to and including January 1,  
3 1971.

1 SEC. 6. Nothing in this Act shall limit the power of any nonprofit  
2 corporation organized under chapter five hundred four (504) of the  
3 Code or organized under chapter five hundred four A (504A) of the  
4 Code:

5 1. To at any time amend its articles of incorporation or other  
6 instrument governing such corporation by any amendment process  
7 allowable under the laws of this state to provide that some or all  
8 provisions of sections two (2) and three (3) of this Act shall have  
9 no application to such corporation, or

10 2. In the case of any such corporation formed after the effective  
11 date of this Act, to include any specific provisions in its original  
12 articles of incorporation, which provide that some or all provisions  
13 of sections two (2) and three (3) of this Act shall have no application  
14 to such corporation.

Approved May 7, 1971.

## CHAPTER 242

### OFFICERS AND DIRECTORS OF INSURANCE COMPANIES

#### S. F. 157

AN ACT relating to conflicts of interest of officers and directors of insurance companies.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section five hundred eight point eight (508.8), Code  
2 1971, is amended by striking the section and inserting in lieu thereof  
3 the following:

4 **508.8 Insurance company officers—conflicts of interest prohibited.**  
5 No director or officer of any life insurance company shall receive, in  
6 addition to his fixed salary or compensation, any money or valuable  
7 thing, either directly or indirectly, or through any substantial interest  
8 in any other corporation or business unit, for negotiating, procuring,  
9 recommending or aiding in any purchase or sale of property, or loan,  
10 made by such insurer or any affiliate or subsidiary thereof; nor shall  
11 he be pecuniarily interested, either as principal, coprincipal, agent or  
12 beneficiary, either directly or indirectly, or through any substantial  
13 interest in any other corporation or business unit, in any such pur-  
14 chase, sale or loan.

Approved March 16, 1971.