

5 6. Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

6 7. In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the plan of merger; and, in the case of consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this chapter shall be deemed to be the original articles of incorporation of the new corporation.

Approved May 8, 1979

CHAPTER 123

CAPITAL AND SURPLUS OF INSURANCE COMPANIES

H. F. 455

AN ACT relating to the amount of capital and surplus required for insurance companies to transact business in Iowa.

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

Section 1. Section five hundred eight point five (508.5), Code 1979, is amended to read as follows:

508.5 CAPITAL AND SURPLUS REQUIRED. ~~No~~ A stock life insurance company shall not be authorized to transact business under the provisions of this chapter with less than ~~three--hundred--fifty--thousand~~ one million dollars capital stock fully paid for in cash and ~~four-hundred-thousand~~ one million dollars of surplus paid in in cash or invested as provided by law. The stock shall be divided into shares of not less than one dollar par value each. ~~Nothing--herein--contained--shall--affect--companies--now--authorized--to--transact--business--under--the--provisions--of--this--chapter--~~

Sec. 2. Section five hundred eight point nine (508.9), Code 1979, is amended to read as follows:

508.9 MUTUAL COMPANIES--CONDITIONS. Level premium and natural premium life insurance companies organized under the laws of this state upon the mutual plan shall, before issuing any policies, have actual applications on at least two hundred and fifty lives for an average amount of one thousand dollars each, ~~a list of which,~~ A list of the applications giving the name,

age, residence, amount of insurance, and annual premium of each applicant shall be filed with the commissioner of insurance, and a deposit made with him the commissioner of an amount equal to three-fifths of the whole annual premium on said the applications, in cash or the securities required by section 508.5, ~~and in addition thereto~~. In addition a deposit of cash or securities of the character provided by law for the investment of funds for life insurance companies in the sum of ~~three--hundred--thousand~~ two million dollars shall be made with the commissioner, which shall constitute a guaranty fund for the protection of policyholders. In no event shall the contribution to said the guaranty fund give to any contributors ~~thereof~~, to the fund or to any other persons any voting or other power in the management of the affairs of the company ~~by reason of such contribution~~. Said The guaranty fund may be repaid to the contributors thereto with interest at six percent from the date of contribution, at any time, in whole or in part, provided such the repayment does not reduce the surplus of the company below the amount of ~~three--hundred--thousand~~ two million dollars and then only provided consent in writing for such the repayment is obtained from the commissioner of insurance, ~~and on~~. Upon compliance with the provisions of this section, the commissioner shall issue to such the mutual company the certificate ~~hereinafter~~ prescribed in this chapter.

Sec. 3. Section five hundred fifteen point eight (515.8), Code 1979, is amended to read as follows:

515.8 PAID-UP CAPITAL REQUIRED. ~~No~~ An insurance company other than life shall not be incorporated to transact business upon the stock plan with less than ~~two-hundred-thousand~~ one million dollars capital, the entire amount of which shall be fully paid up in cash and invested as provided by law. ~~No increase of the~~ An insurance company other than life shall not increase its capital stock ~~of--any--company--shall-be-made~~ unless the amount of such the increase is fully paid up in cash. The stock shall be divided into shares of not less than one dollar each.

Sec. 4. Section five hundred fifteen point ten (515.10), Code 1979, is amended to read as follows:

515.10 SURPLUS REQUIRED. ~~Such company shall be possessed~~ An insurance company other than a life insurance company shall have, in addition to the required paid-up capital, ~~of~~ a surplus in cash or invested in securities authorized by law of not less than ~~three--hundred--thousand~~ one million dollars. If the commissioner of insurance finds that a company offers or plans to offer only one kind of insurance ~~he~~ the commissioner may reduce the amount of surplus required, but in no event shall it be reduced to less than ~~one~~ three hundred thousand dollars.

Sec. 5. Section five hundred fifteen point twelve (515.12), subsection five (5), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

~~†~~ The mutual company shall have in cash or in securities in which insurance companies are authorized to invest, surplus in an amount ~~of~~ not less than two ~~hundred--thousand~~ million dollars, ~~---provided---that---the~~ ~~commissioner--of--insurance,--if--in--his--judgment--it--appears--necessary,--may~~ ~~require--surplus--in--excess--of--said--amount,--but--not--more--than--three--hundred~~

~~thousand-dollars~~. The surplus so required may be advanced in accordance with the provisions of section 515.19.

Sec. 6. Section five hundred fifteen point sixty-nine (515.69), Code 1979, is amended to read as follows:

515.69 FOREIGN COMPANIES--CAPITAL REQUIRED. ~~No~~ A stock insurance company organized under or by the laws of any other state or foreign government for the purpose specified in this chapter, shall not, directly or indirectly, take risks or transact any business of insurance in this state unless ~~possessed--of--two--hundred--thousand~~ the company has one million dollars of actual paid-up capital, and a surplus in cash or invested in securities authorized by law of not less than ~~three--hundred--thousand~~ one million dollars, exclusive of any assets deposited in any a state, territory, district, or country for the special benefit or security of those insured therein.

Sec. 7. Section five hundred fifteen point seventy-six (515.76), subsection one (1), Code 1979, is amended to read as follows:

1. In case ~~any--such~~ of a mutual company issuing policies for a cash premium without an additional contingent liability equal to or greater than the cash premium, the surplus shall be at least ~~three--hundred--thousand~~ two million dollars.

Sec. 8. Section five hundred fifteen point ninety-two (515.92), Code 1979, is amended to read as follows:

515.92 STATEMENT OF CAPITAL AND SURPLUS. Every advertisement or public announcement, and every sign, circular, or card issued or published by any a foreign company transacting the business of ~~fire~~ casualty insurance in the state, or by an officer, agent, or representative thereof, ~~which--shall purport that purports to make--known--its~~ disclose the company's financial standing, shall exhibit the capital actually paid in in cash, and the amount of net surplus of assets over all its liabilities actually held and available for the payment of losses by fire and for the protection of holders of fire policies, and shall also exhibit the amount of net surplus of assets over all liabilities in the United States actually available for the payment of losses by fire and held in the United States for the protection of holders of fire policies in the United States, including in such liabilities the fund reserved for reinsurance of outstanding risks, and the same shall correspond with the latest verified statement made by the company or association to the commissioner of insurance. ~~Ne-such~~ The company shall not write, place, or cause to be written or placed, any a policy or contract for insurance upon property situated or located in this state except through its resident agent or agents.

Sec. 9. This Act shall not affect insurance companies authorized to transact business in Iowa on the effective date of this Act.

Sec. 10. This Act is effective January first following its enactment.