

CHAPTER 166
LIFE INSURANCE LOANS AND PROPERTY PURCHASES

H. F. 547

AN ACT relating to permissible loans and real property purchases by a life insurance company.

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

Section 1. Section 508.7, Code 1981, is amended to read as follows:

508.7 LOANS TO OFFICERS. ~~Ne--part--of~~ Except as permitted in section 508.8, the capital or other funds shall not be loaned directly or indirectly to any an officer, director, stockholder, or employee of the company or directly or indirectly to any a relative of any an officer or director of such the company.

Sec. 2. Section 508.8, Code 1981, is amended to read as follows:

508.8 INSURANCE COMPANY OFFICERS--CONFLICTS OF INTEREST PROHIBITED. ~~Ne A~~ director or officer of any a life insurance company shall not receive, in addition to ~~his~~ fixed salary or compensation, any money or other valuable thing, either directly or indirectly, or through any a substantial interest in ~~any--ether~~ another corporation or business unit, for negotiating, procuring, recommending or aiding in any the purchase or sale of property, or loan, made by such the insurer or any an affiliate or subsidiary ~~thereof of the insurer;~~ nor shall ~~he~~ a director or officer be pecuniarily interested, either as principal, coprincipal, agent or beneficiary, either directly or indirectly, or through any a substantial interest in ~~any--such the~~ another corporation or business unit, in ~~any--such the~~ purchase, sale or loan. However, a life insurance company, in connection with the relocation of the place of employment of an employee including relocation upon the initial employment of the employee, may do either of the following:

1. Make a mortgage loan on real property owned by the employee which is to serve as the employee's dwelling.

2. Acquire at not more than fair market value the dwelling which the employee vacates upon relocation.

As used in this section, "employee" includes but is not limited to the officers of a life insurance company.

Approved May 1, 1981