

CHAPTER 228
INSURANCE COMPANY REPORTS
S.F. 502

AN ACT relating to the financial security and reporting requirements of insurance companies and providing for administrative penalties.

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

Section 1. Section 508.6, Code 1985, is amended to read as follows:

508.6 DEPOSIT OF SECURITIES — CERTIFICATE.

~~Such securities~~ Securities in the amount of the capital and surplus required under section 508.5 shall be deposited with the commissioner of insurance or at such places as the commissioner may designate. When the deposit is made and evidence furnished, by affidavit or otherwise, satisfactory to the commissioner, that the capital stock is all fully paid and the company possessed of the surplus required and that the company is the actual and unqualified owner of the securities representing the paid-up capital stock or other funds of the company, and all laws have been complied with, the commissioner shall issue the company the certificate provided for in this chapter.

Sec. 2. Section 508.19, Code 1985, is amended to read as follows:

508.19 SECURITIES.

~~The securities that are on deposit of a defaulting or insolvent company, or a company against which proceedings are pending under sections 508.17 and 508.18, on deposit shall vest in the state for the benefit of the policies on which such deposits were made, and the proceeds of the same shall, by the order of the court upon final hearing, be divided among the holders thereof in the proportion of the last annual valuation of the same, or at any time be applied to the purchase of reinsurance for their benefit all policyholders of the company.~~

Sec. 3. Section 510.11, Code 1985, is amended to read as follows:

510.11 BUSINESS YEAR — ANNUAL REPORT — FEES.

~~The annual business of such an association operating under this chapter and organized under the laws of this state shall close on the thirty-first day of December of each year, and it shall within sixty days thereafter. On or before March 1 of each year the association shall prepare and file in the office of the commissioner of insurance a detailed statement, verified by its president and secretary, giving its assets, liabilities, receipts from each assessment and all other sources, expenditures, salaries of officers, number of contributing members, death losses paid and amount paid on each, death losses reported but not paid, and furnish such other information as the commissioner, who shall provide blanks for that purpose, may require, so in order that its true financial condition may be shown, and shall pay, upon. The information required in this section shall be provided on forms specified by the national association of insurance commissioners. Upon filing each annual statement, the association shall pay the sum of three dollars, and such other fees as are required by the provisions of sections 511.24 to 511.26.~~

Sec. 4. Section 511.8, subsection 16, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The securities comprising the deposit of any a company or association against which proceedings are pending under sections 508.17 and 508.18 shall vest in the state for the benefit of the policies and contracts for which such deposits were made all policyholders of the company or association.

Sec. 5. Section 512.42, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Every such On or before March 1 of each year, an association operating under this chapter and doing business in this state shall, on or before the first day of March of each year, make, and file with the commissioner of insurance, a report for the year ending on the thirty-first day of December immediately preceding December 31. All reports shall be upon blank annual statement forms to be provided by the commissioner, or may be printed in pamphlet form, and stipulated by the national association of insurance commissioners, shall be verified under oath by the authorized officers of such the association, and shall be published, or the substance thereof, in the annual report of the commissioner under the separate title "Fraternal Beneficiary Associations", and shall contain answers to the following questions:

Sec. 6. Section 515.65, Code 1985, is amended to read as follows:

515.65 CERTIFICATE REFUSED.

The commissioner of insurance shall withhold the commissioner's certificate or permission of authority to do business from any a company neglecting or failing to comply with the provisions of this chapter. In addition, a company organized or authorized under this chapter which fails to file the annual statement referred to in section 515.63 in the time required shall pay and forfeit an administrative penalty in an amount of three hundred dollars to be collected in the name of the state for the use of the state general fund. The company's right to transact further new business in this state shall immediately cease until the company has fully complied with this chapter.

Sec. 7. Section 515.68, Code 1985, is amended to read as follows:

515.68 FORMS FOR STATEMENTS.

~~The commissioner shall cause to be prepared and furnished to each company organized under the laws of this state, and to the attorney or agent of each company incorporated in other states and foreign governments, who may apply therefor, printed forms of statements required by this chapter, and may from time to time make such changes in the forms as shall of statements required by this chapter which seem to the commissioner best adapted to elicit from the companies a true exhibit of their condition in respect to the several points hereinbefore enumerated in this chapter.~~

Sec. 8. Section 518A.18, Code 1985, is amended to read as follows:

518A.18 ANNUAL REPORT.

Each An association doing business under the provisions of this chapter shall, annually, on or before March 1 of each year, report to the commissioner of insurance, upon blanks furnished by the commissioner, such the facts as are required of domestic insurance companies organizing under chapter 515, as which are applicable to this chapter. These reports shall be tabulated and published by the commissioner of insurance in the annual report of insurance, one copy of which shall be sent to each association.

Sec. 9. Section 511.3, Code 1985, is repealed.

Approved May 30, 1985