

[Craig]

A BILL

FOR AN ACT TO AMEND SECTION 249 OF THE CODE OF 1873, IN RELATION TO SURETIES ON BONDS AND AUTHORIZING THE ACCEPTANCE OF GUARANTEE COMPANIES AS SUCH SURETIES.

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

SECTION 1. That section 249 of the Code of 1873, shall be and the same is hereby repealed
2 and following enacted in lieu thereof :

SEC. 2. The surety in every bond provided for by this Code, must be a resident of this
2 State, and worth double the sum to be secured beyond the amount of his debts, and have
3 property liable to execution in this State equal to the sum to be secured ; or, whenever any
4 person is required to give bond or undertaking for the faithful performance of any official
5 duty, the officer who is now or shall hereafter be required to approve the efficiency of any
6 such bond or undertaking, shall be authorized to accept such bond or undertaking when
7 guaranteed by a company duly organized or authorized to do business under the laws of this
8 State, and authorized to guarantee the fidelity of persons holding positions of public or pri-
9 vate trusts, and all such corporations are hereby vested with full power and authority to
10 guarantee such bonds.

SEC. 3. It is further provided that the guarantee of any such company shall not be ac-
2 cepted by the official whose duty it is to accept and approve such bonds or undertakings
3 when its liabilities shall exceed its assets as ascertained in the manner provided in Section 4
4 of this act, and such company shall justify through its officers in the same manner as re-
5 quired by law of other sureties.

SEC. 4. Whenever the liabilities of any such company shall exceed its assets, the
2 Auditor of State shall require the deficiency to be paid up within sixty days, and if not so
3 paid up, he shall issue a certificate showing the extent of such deficiency and he shall pub-
4 lish such certificate in a daily paper published in the City of Des Moines, and henceforth
5 such company shall not do business under the provisions of this act. And in estimating
6 the condition of any such company under the provisions of this act, the Auditor of State
7 shall allow as assets only such as are authorized under the existing laws at the time, and
8 shall charge as liabilities in addition to 80 per cent. of the capital stock, all outstanding in-
9 debtedness of the company, and a premium reserve equal to 50 per cent. of the premiums

10 charged by said company on all risks then in force. Nothing in this act shall permit the
11 giving or acceptance of individual bondsmen. Nor shall the provisions of this act apply
12 to bonds given in criminal cases.

SEC. 5. This act being deemed of immediate importance shall take effect upon its publica-
2 tion in the Iowa State Register and Iowa State Leader, daily papers published in Des
3 Moines, Iowa.

*Com. on
Insurance*

A BILL

FOR AN ACT TO AMEND SECTION 249, OF THE CODE OF 1873, IN RELATION TO SURETIES ON BONDS, AND AUTHORIZING THE ACCEPTANCE OF GUARANTEE COMPANIES AS SUCH SURETIES.

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

SECTION 1. That section 249, of the Code of 1873, shall be and the same is hereby amended
2 by adding the following at the end of said section: Or whenever any person is required
3 to give bond or undertaking for the faithful performance of any trust or duty, the officer
4 who is now or shall hereafter be required to approve the efficiency of such bond or under-
5 taking, shall be authorized to accept such bond or undertaking when guaranteed by a com-
6 pany duly organized or authorized to do business under the laws of this State, and author-
7 ized to guarantee the fidelity of persons holding positions of public or private trusts, and all
8 such corporations are hereby vested with full power and authority to guarantee such bonds,
9 and they shall be governed by the law of this State regulating other insurance companies.

SEC. 2. It is further provided that the guarantee of any such company shall not be ac-
2 cepted by the official whose duty it is to accept and approve such bonds or undertakings
3 until such official is satisfied that such company has complied with the law authorizing in-
4 surance companies to do business in this State, and such company shall justify through its
5 officers in the same manner as required by law of other sureties. Nothing in this act shall
6 prevent the giving or acceptance of individual bondsmen, nor shall the provisions of this
7 act apply to bonds given in criminal cases.

SEC. 3. Whenever suit is required to be brought on any bond given by such company
2 service shall be had upon any agent of such company in this State, and if there is no agent
3 in the State, then service may be had by serving the Auditor of State thirty days before
4 the term of court in which the suit is sought to be brought, and it shall be the duty of the
5 Auditor of State to immediately upon service being made upon him to mail a copy of such
6 notice to such company at their principal place of business, and any notice so served shall
7 be deemed to be good and sufficient service on any such company.

SEC. 4. All acts or parts of acts inconsistent with this act are and the same are hereby re-
2 pealed.

SEC. 5. This act being deemed of immediate importance, shall take effect upon its
2 publication in the Iowa State Register and Des Moines Leader, newspapers published in
3 Des Moines.