A BILL

FOR AN ACT TO ESTABLISH A SEPARATE INSURANCE DEPARTMENT, TO INCLUDE THE SUPERVISION OF BANKS, TO PROVIDE FOR THE APPOINTMENT OF THE COMMISSIONER THEREOF AND DEFINE HIS DUTIES.

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

SECTION 1. That there shall be established a distinct department, which shall be known
2 as "the insurance department of the State of Iowa," which shall be charged with the exe-
3 cution of all laws of this State now in force, or hereafter enacted, in relation to insurance
4 and banking.

SEC. 2. The chief officer of said department shall be styled the "insurance commissioner
2 of Iowa," and his term of office shall begin on the first day of April, 1886, and continue
3 four years, and until his successor shall be appointed and qualified. He shall be an elector
4 of this State, well versed and experienced in the business of insurance and matters relating
5 thereto, and he shall give his personal presence and attention to the duties of his office, but
6 in no case shall he be in the employment of, or have any official connection with, or any
7 financial interest in any insurance company or bank, other than as a policy holder of an
8 insurance company, or as a customer of a bank.

SEC. 3. The insurance commissioner shall be appointed by the Governor with the advice
2 and consent of the Senate, within thirty days after the passage of this act, if the Senate
3 be in session, and on the first Wednesday in February, 1890, and every four years there-
4 after, the Governor shall nominate a proper person as insurance commissioner, and send his
5 name to the Senate for confirmation. In case of the refusal of the Senate to confirm, the
6 Governor shall nominate some other suitable person, and send his name to the Senate
7 within three days after the last nominee was rejected, and so on until an appointment sat-
8 isfactory to the Governor and Senate is made; or until the Senate adjourns. In case of
9 such final disagreement between the Governor and Senate in the appointment of an insur-
10 ance commissioner, or when a vacancy occurs in such office from any cause when the Legis-
11 lature is not in session, the Governor shall, by and with the advice and approval of the
12 executive council, within thirty days after such adjournment of the Senate, or the occur-
13 rence of such vacancy, appoint a suitable person to such office, for the full unexpired term
14 as the case may be; but in no case shall a person be appointed to such office for any portion
15 of the term for which he has been rejected by the Senate. The term of office of the com-
16 missioner to be appointed as above provided shall begin on the first day of April next after
17 his appointment, and shall continue for four years and until his successor is duly appointed

18 and qualified, except that when such appointment is to fill a vacancy he shall qualify at
19 once, and continue in office for the unexpired portion of the term. Said commissioner
20 shall receive an annual salary of two thousand dollars, to be paid in monthly installments
21 at the end of each month, as are other State officers.

SEC. 4. Before entering upon the duties of his office, such commissioner shall take the
2 proper official oath, and shall execute a bond to the State of Iowa, in the sum of twenty
3 thousand dollars, with at least four good and sufficient sureties, conditioned for the faith-
4 ful performance of all the duties of his office. Such bond shall be approved by the Governor
5 and, together with such official oath, be filed and recorded in the office of the Secretary of
6 State.

SEC. 5. If at any time the Governor shall become satisfied that the commissioner is insuf-
2 ficient, incompetent, or derelict in the discharge of his duties, or that he has acted corruptly
3 or in violation of law in authorizing or refusing to authorize the transacting of any insur-
4 ance or banking business in this State, or that he has directly or indirectly received any
5 gift, gratuity or compensation, other than that expressly allowed by law, for doing or
6 omitting to do and perform any official act whatever, he is hereby authorized and required
7 to remove such commissioner from office and to fill the vacancy as hereinbefore provided.

SEC. 6. The insurance commissioner shall have a seal one and three-fourths inches in
2 diameter, with such device as the Governor and commissioner may prescribe, a description
3 of which certified by the commissioner, together with an impression thereof, shall be filed
4 in the office of the Secretary of State, and every paper executed by said commissioner in
5 pursuance any authority conferred by law and sealed with his seal of office, shall be
6 received as evidence throughout the State, and a copy of any paper or record of the office
7 of said commissioner, certified by him and attested by said seal, shall be taken in evidence
8 equally and in like manner as the original.

SEC. 7. All books and documents and all other papers whatever in the office of the Audi-
2 tor of State, or any other State officer, relating to insurance or banking, shall, on the first
3 day of April, 1886, on demand, be delivered to the insurance commissioner, who shall
4 receipt for the same, which shall be a full release from all responsibility in connection
5 therewith, and thereafter such books, papers and documents shall be and remain in charge
6 of the said commissioner, in his office. In case any of the records are contained in books
7 devoted to other purposes, the officer having charge thereof shall deliver to said commis-
8 sioner a certified copy thereof; and every commissioner shall, upon retiring from office,
9 deliver to his qualified successor the possession of his office and all furniture, books, papers
10 and property belonging thereto. All the powers and duties heretofore imposed by law upon
11 the Auditor of State in relation to insurance and banking, shall be conferred upon and be
12 discharged by the insurance commissioner.

SEC. 8. The insurance commissioner shall have his office at the Capitol and be furnished
2 with suitable rooms, furniture, stationery, and other proper conveniences for the transaction
3 of the business pertaining to his office, in the same manner as are other State officers.

SEC. 9. The insurance commissioner may, with the approval of the Governor, appoint a
2 deputy, from whom he shall require a bond in the sum of ten thousand dollars with good
3 and sufficient sureties who shall have the qualifications set forth in section two of this act,
4 and who shall, in the absence or disability of said commissioner, perform the duties of said
5 office, and for whose acts said commissioner shall be responsible, which appointment shall
6 be evinced by a certificate under the official seal of said commissioner, filed with the Sec-
7 retary of State, with the proper official oath of said deputy endorsed thereon. Said deputy
8 shall receive an annual salary of fifteen hundred dollars, payable in monthly installments
9 as are other State officers. The commissioner shall also have power to employ such clerks
10 from time to time as may be necessary to carry on the business of his office with promptness
11 and accuracy, at a reasonable compensation, to be provided for in the same manner as that
12 of the clerks of other State officers, and any necessary contingent expenses not otherwise
13 provided for, on being certified by said commissioner, shall be audited by the execu-
14 tive council and paid out of the general miscellaneous fund; provided, that all of the
15 expenses of the department hereby created, including salaries of commissioner, deputy,
16 clerks and contingent expenses, shall not in any one year exceed one-half the amount col-
17 lected as fees from insurance companies for the next previous year, exclusive of tax on
18 premiums.

SEC. 10. The insurance commissioner shall keep, in a permanent record, an itemized
2 account of all fees received by him, and shall, on the first day of each month, pay over to
3 the Treasurer of State the entire amount of fees received by him during the previous
4 month, taking duplicate receipts, one of which he shall file with the Auditor of State,
5 accompanied by affidavit that the amount of said receipt includes the entire amount of
6 such fees as received by him.

SEC. 11. It shall be the duty of said commissioner to report to the next General Assembly,
2 all laws and enactments then in force in this State, pertaining to the business of insurance
3 and banking, with such recommendations for changes, if any, as in his judgment might be
4 deemed necessary for the better protection of the public.

SEC. 12. All acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 13. This act being deemed of immediate importance shall take effect and be in force
2 on and after its publication in the Iowa State Register and Iowa State Leader, newspa-
3 pers published in Des Moines, Iowa.

A BILL

FOR AN ACT TO ESTABLISH A SEPARATE INSURANCE DEPARTMENT TO INCLUDE THE SUPERVISION OF INCORPORATED BANK; TO PROVIDE FOR THE APPOINTMENT OF THE COMMISSIONER THEREOF AND DEFINE HIS DUTIES.

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

SECTION 1. That there shall be established a distinct department, which shall be known
2 as "the insurance department of the State of Iowa," which shall be charged with the
3 execution of all the laws of this State now in force, or hereafter enacted, in relation to in-
4 surance and incorporated banks.

SEC. 2. The chief officer of said department shall be styled the "Insurance Commissioner
2 of Iowa," and his term of office shall begin May 1, 1886, and continue until July 1, 1888, or
3 until his successor shall be appointed and qualified. And thereafter the term of ser-
4 vice of such Commissioner shall be two years. He shall be an elector of this State, well
5 versed and experienced in the business of insurance and matters relating thereto, and he
6 shall give his personal presence and attention to the duties of his office, but in no case shall
7 he be in the employment of, or have any official connection with, or any financial interest
8 in any insurance company or bank other than as a policy holder of an insurance company,
9 or as a customer of a bank.

SEC. 3. The Insurance Commissioner shall be appointed by the Governor with the advice
2 and consent of the Senate, and shall hold his office for two years and until his successor is
3 appointed and qualified. The Governor shall nominate a proper person as Insurance Com-
4 missioner and send his name to the Senate for confirmation. In case of the refusal of the
5 Senate to confirm, the Governor shall nominate some other suitable person and send his
6 name to the Senate within three days after the last nominee was rejected, and so on until
7 an appointment satisfactory to the Governor and Senate is made, or until the Senate ad-
8 journs. In case of such final disagreement between the Governor and Senate in the appoint-
9 ment of an Insurance Commissioner, or when a vacancy occurs in such office from any
10 cause when the Legislature is not in session, the Governor shall, by and with the advice and
11 approval of the Executive Council, (within thirty days after such adjournment of the Senate
12 or the occurrence of such vacancy), appoint a suitable person to such office, for the full, unex-
13 pired term, as the case may be, but in no case shall a person be appointed to such office for

14 any portion of the term for which he has been rejected by the Senate. The said Commis-
15 sioner so appointed and qualified shall act as actuary and shall receive an annual salary of
16 two thousand five hundred dollars, to be paid in monthly installments at the end of each
17 month as are other State officers, in full compensation for all services as Commissioner
18 and actuary.

SEC. 4. Before entering upon the duties of his office, such Commissioner shall take the
2 proper official oath, and shall execute a bond to the State of Iowa, in the sum of ten thous-
3 and dollars, with good and sufficient sureties, conditioned for the faithful performance of
4 all the duties of his office. Such bond shall be approved by the Governor, and, together
5 with such official oath, be filed and recorded in the office of the Secretary of State.

SEC. 5. If at any time the Governor shall become satisfied that the Commissioner is
2 insufficient, incompetent, or derelict in the discharge of his duties, or that he has acted cor-
3 ruptly or in violation of the law in authorizing or refusing to authorize the transacting of any
4 insurance or banking business in this State, or that he has directly or indirectly received
5 any gift, gratuity or compensation, other than that expressly allowed by law, for doing or
6 omitting to do and perform any official act whatever, he is hereby authorized and required
7 to remove such commissioner from office and to fill the vacancy as hereinbefore provided.

SEC. 6. The Insurance Commissioner shall have a seal one and three-fourths inches in
2 diameter, with such device as the Governor and Commissioner may prescribe, a description
3 of which certified by the Commissioner, together with an impression thereof, shall be filed
4 in the office of the Secretary of State, and every paper executed by said Commissioner in pur
5 suance of any authority conferred by law and sealed with his seal of office, shall be received
6 as evidence throughout the State, and a copy of any paper or record of the office of said
7 Commissioner, certified by him and attested by said seal, shall be taken in evidence equally
8 and in like manner as the original.

SEC. 7. All books and documents, and all other papers whatever in the office of the Auditor
2 of State, or any other State officer, relating to insurance or banking, shall, on de-
3 mand, be delivered to the Insurance Commissioner, who shall receipt for the same,
4 which shall be a full release from all responsibility in connection therewith, and
5 thereafter such books, papers and documents shall be and remain in charge of the said
6 Commissioner, in his office. In case any of the records are contained in books devoted to
7 other purposes, the officer having charge thereof shall deliver to said Commissioner a certi-
8 fied copy thereof; and every Commissioner shall, upon retiring from office, deliver to his
9 qualified successor the possession of his office and seal and all furniture, books, papers and
10 property belonging thereto. All the powers and duties heretofore imposed by law upon the
11 Auditor of State in relation to insurance and banking, shall be conferred upon and be dis-
12 charged by the Insurance Commissioner.

SEC. 8. The Insurance Commissioner shall have his office at the capitol and be furnished
2 with suitable rooms, furniture, stationery, and other proper conveniences for the transac-
3 tion of the business pertaining to his office, in the same manner as are other State officers.

SEC. 9. The Insurance Commissioner may, with the approval of the Governor, appoint a
2 deputy, from whom he shall require a bond in the sum of five thousand dollars, with good
3 and sufficient sureties who shall have the qualifications set forth in section two of this act,
4 and who shall, in the absence or disability of said Commissioner, perform the duties of said
5 office, and for whose acts said Commissioner shall be responsible, which appointment shall
6 be evidenced by a certificate under the official seal of said Commissioner, filed with the
7 Secretary of State, with the proper official oath of said deputy endorsed thereon. Said
8 deputy shall receive an annual salary of eighteen hundred dollars, payable in monthly in-
9 stallments as are other State officers. The Commissioner shall also have power to employ
10 such clerks from time to time as may be necessary to carry on the business of his office with
11 promptness and accuracy, at a reasonable compensation, to be provided for in the same
12 manner as that of the clerks of other State officers, and any necessary contingent expenses
13 not otherwise provided for, on being certified by said Commissioner, shall be audited by
14 the Executive Council and paid out of the general miscellaneous fund; *provided*, that all of
15 the expenses of the department hereby created, including salaries of Commissioner, deputy,
16 clerks and contingent expenses, shall not in any one year exceed one-half the amount col-
17 lected as fees from insurance companies for the next previous year, exclusive of tax on
18 premiums.

SEC. 10. The Insurance Commissioner shall keep, in a permanent record, an itemized ac-
2 count of all fees received by him, and shall, on the first day of each month, pay over to the
3 Treasurer of State the entire amount of fees of every kind received by him during the
4 previous month, taking duplicate receipts, one of which he shall file with the Auditor of
5 State, accompanied by affidavit that the amount of said receipt includes the entire amount
6 of such fees as received by him.

SEC. 11. It shall be the duty of said Commissioner to report to the next and each subsequent
2 General Assembly, such recommendations and changes if any, of the laws and enact-
3 ments then in force in this State, as in his judgment might be deemed necessary for the
4 better protection of the public interest.

SEC. 12. No domestic insurance company shall issue policies of insurance until upon ex-
2 amination by the Commissioner or his deputy, it is found to have complied with the laws of
3 the State, nor until it has obtained from the Commissioner a certificate setting forth that
4 fact and authorizing it to issue policies. For such examination it shall pay into the State
5 treasury the sum of twenty-five dollars.

SEC. 13. The Commissioner or his deputy shall visit each domestic insurance company and
2 incorporated bank as often as he shall deem it necessary for the protection of policy holders
3 and depositors, and shall thoroughly inspect and examine all its affairs, and especially its finan
4 cial condition and ability to fulfill its obligations, and shall ascertain whether it has complied
5 with all the provisions of law applicable to it and its transactions. He shall also visit and
6 in like manner examine any such insurance companies when requested, in writing, by five
7 or more stockholders or creditors thereof, or persons pecuniarily interested therein. For
8 making such examinations, only the traveling expenses and hotel bills of said Commissioner
9 or deputy shall be paid by the company or bank examined.

SEC. 14. He shall in like manner whenever he deems it necessary for the protection of
2 policy holders in this State, visit and examine as aforesaid any foreign insurance company
3 doing business therein. He may employ such assistants as may be necessary in making the
4 examination, and all the expenses thereof shall be borne by the company examined.

SEC. 15. For the purposes aforesaid the Commissioner or his deputy shall have free access
2 to all the books and papers of any insurance company, or incorporated bank and
3 may examine under oath, its officers, agents or other persons relative to its bus-
4 iness and condition. If any foreign insurance company, its officers, or agents refuse
5 to submit to such examination or to comply with any of the provisions of this act, or
6 of the laws of this State applicable to such company, its authority to do business in this
7 State shall cease and its license to do such business shall be revoked.

SEC. 16. He may at any time require the agents in this State of any foreign insurance
2 company to exhibit the books kept by him relating to such agencies and to make answer in
3 writing and under oath to all reasonable questions proposed by him in order to elicit a full
4 statement of the business done by such agents; and an agent refusing or neglecting for
5 thirty days to answer such interrogatives shall be deemed not to have complied with the
6 laws of the State, and if he continues to act as such agent, shall be punished by fine not
7 exceeding five hundred dollars.

SEC. 17. He may summon and examine under oath, which he may administer, the direc-
2 tors, officers and agents of any insurance company or incorporated bank, and such other
3 persons as he may think proper, in relation to their public affairs, transactions and condition,
4 and whoever without justifiable cause shall refuse to appear and testify when so required or
5 willfully obstructs the Commissioner in the discharge of his duty, shall for each offense be
6 punished by fine not exceeding one thousand dollars, or by imprisonment in the county
7 jail not more than three months, or by both such fine and imprisonment in the discretion
8 of the court.

SEC. 18. If he is of the opinion upon examination that any domestic insurance company
2 is insolvent or that its condition is such as to render its further proceedings hazardous to
3 the public or to those holding its policies, he shall apply to a judge of the dictrict court

4 or to a justice of the Supreme Court to issue an injunction restraining it in whole or
5 in part from further proceedings with its business. Such judge or justice may issue a tem-
6 porary injunction only upon notice and hearing, and after a full hearing of all the parties
7 interested may dissolve or modify the injunction or make it perpetual; may make such
8 orders and decrees as may be needful to suspend, retain or prohibit the further continu-
9 ance of the business of such company, and may appoint agents or receivers to take posses-
10 sion of its property and effects subject to such rules and orders as may from time to time be
11 prescribed by the court or judge, according to the course of proceedings in equity. An ap-
12 peal from any final order, judgment or decree of such court or judge may be prosecuted
13 by any party to the record to the Supreme Court of the State.

SEC. 19. If he is of the opinion, upon examination, that an insurance company, foreign or
2 domestic, has exceeded its powers or failed to comply with any provision of the laws of this
3 State applicable thereto, he may procure an injunction in the manner provided in the pre-
4 ceding section, restraining it in the whole or in part from further proceeding with its busi-
5 ness, and the provisions of the preceding section shall apply to proceedings under this
6 section.

SEC. 20. If in his opinion any insurance company, or an officer or agent thereof, has vio-
2 lated any law relative or applicable to said company, he shall forthwith make written report
3 of the facts, with such statements and remarks as he deems expedient, to the Attorney-Gen-
4 eral, who shall at once prosecute said company, officer or agent thereof.

SEC. 21. He shall keep and preserve in permanent form a full record of all his official acts
2 and proceedings, including a concise statement of the condition of each insurance company
3 and bank visited or examined by himself or his deputy, and report the same to the General
4 Assembly.

SEC. 22. The Commissioner of Insurance shall possess all the powers, perform all the
2 duties, and be subject to all the obligations now provided for by law and conferred upon
3 the Auditor of State, or to which said Auditor is now subject in relation to insurance com-
4 panies and to the supervision thereof, so that every power and duty now conferred upon the
5 Auditor of State in relation to insurance companies and banks and their supervision, shall,
6 from and after the appointment and qualification of such Commissioner be transferred and
7 conferred upon such Commissioner.

SEC. 23. All acts and parts of acts inconsistent with any of the provisions of this act are
2 hereby repealed.

SEC. 24. This act being deemed of immediate importance shall take effect upon its publi-
2 cation in the Iowa State Register and Des Moines Leader, papers published at Des Moines,
3 Iowa.