

January 26, 1951.  
Insurance.

**House File 231**

By SCHWENGEL, SLOANE, TATE, LOSS WETSON,  
BUTLER, PEDRICK and McFARLANE.

Passed House, Date .....

Vote: Ayes..... Nays.....

Passed Senate, Date .....

Vote: Ayes..... Nays.....

Approved .....

**A BILL FOR**

An Act to amend chapter five hundred twenty-two (522), Code 1950, relating to the licensing of insurance agents.

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

1 Section 1. Chapter five hundred twenty-two (522), Code  
2 1950, is hereby amended by adding after section five hundred  
3 twenty-two point four (522.4) the following:

4 "522.5 Before issuing the license provided by section  
5 522.1, any person not now nor hereafter licensed to engage in  
6 the insurance business in this state as an agent shall apply to  
7 the commissioner of insurance on forms prescribed by said  
8 commissioner for a license authorizing him to engage in such  
9 business or kinds thereof as may be written in this state. The  
10 applicant shall make answer to such interrogatories as the  
11 commissioner may require, bearing on his moral character,  
12 training and fitness to act as an agent. Such application shall  
13 be accompanied by a fee of ten dollars.

14 "522.6 After receipt of such application, it shall be the  
15 duty of the commissioner to determine, pursuant to standards

16 prescribed by the commission as constituted in section five  
17 hundred twenty-one point five (521.5), whether said applicant  
18 possesses moral fitness, mental capacity and knowledge of the  
19 kind or kinds of insurance business he desires to solicit and  
20 write, and the commissioner's action in such respect may, upon  
21 application, be reviewed by the commission above referred to.

22 "522.7 The formal application and determination of  
23 qualifications as provided in sections five hundred twenty-two  
24 point five (522.5) and five hundred twenty-two point six (522.6)  
25 shall not apply (1) to county mutual agents or to fraternal  
26 beneficiary association agents, (2) to agents engaged  
27 exclusively in writing insurance on growing crops, (3) to any  
28 ticket selling agent of a railroad company or other common  
29 carrier who acts only in reference to the issuance of accident  
30 insurance tickets or insurance on personal effects while being  
31 carried as baggage, or (4) to the salaried employees of any  
32 insurance company who in the solicitation of insurance acts only  
33 in conjunction with a duly licensed agent.

34 "522.8 In the event of the death or disability of an agent  
35 licensed as hereinabove provided, the commissioner of insurance  
36 may waive the requirements of sections 522.5 and 522.6 and issue  
37 a temporary license for a period not to exceed six months to  
38 another person to act in the preservation and servicing of the  
39 coverages and business placed by such deceased or disabled  
40 agent."

1 Sec. 2. Section five hundred twenty-two point five (522.5),

- 2 Code 1950, is hereby amended by striking therefrom the figures
- 3 "522.5" and inserting in lieu thereof the figures "522.9".

EXPLANATION OF H. F. 231

Chapter 522, Code 1950, while entitled "Licensing of Agents" makes provision only for the registration with the commissioner of insurance of agents as selected by insurance companies to represent them in Iowa. In view of the recent decision in *United States vs. Southeastern Underwriters Association* (322 U. S. 533) holding that the business of insurance is interstate commerce, and the McCarran Act, (Public Law, No. 15, Seventy-ninth Congress), which provides that certain federal statutes regulatory of interstate commerce shall be applicable to the business of insurance, "to the extent that such business is not regulated by state law", it is increasingly apparent that in order to prevent federal regulation of insurance there must be proper regulation on the part of the states. This measure is designed to provide regulation in that area between the front door of the insurance companies' office and the insurance buying public; it is designed in the interest of the insured and in the further interest of preserving and making more effective the regulation of the industry by the state of Iowa.