

April 4, 1951.
Sifting Committee.

House File 626
By INSURANCE COMMITTEE.

Passed House, Date

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

Passed Senate, Date.....

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

Approved.....

A BILL FOR

An Act to amend chapter five hundred five (505), Code 1950,
relating to discriminatory practices regarding Iowa
insurance companies.

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

1 Section 1. Chapter five hundred five (505), Code 1950,
2 is amended by inserting therein the following new section:
3 "If, by the existing or future laws of any state, an
4 insurance corporation of this state or the agents thereof, shall
5 be required to make any deposit of securities in such other
6 state for the protection of policyholders or otherwise, or to
7 make payment for taxes, fines, penalties, certificates of
8 authority, license fees or otherwise, or are subject to any
9 restrictions, obligations, conditions, or penalties greater
10 than are required or imposed by the laws of the state of Iowa
11 relating to insurance companies of such other states by the
12 then existing laws of this state, then and in every such
13 case all similar insurance corporations of such states shall
14 be and they are hereby required to make like deposit for
15 the like purposes in the insurance department of this state,

16 and to pay to the commissioner of insurance for taxes, fines,
17 penalties, certificates of authority, license fees and otherwise
18 an amount equal to the amount of such charges and payments,
19 and shall be subjected to the same restrictions, obligations,
20 conditions or penalties imposed by the laws of other states
21 upon insurance companies and agents thereof.

22 “Whenever a foreign state shall impose by statute or
23 administrative order any restriction or regulation against an
24 Iowa company as a condition precedent for seeking a license in
25 said state, the insurance commissioner of the state of Iowa is
26 hereby authorized to impose similar restrictions or regulations
27 against the companies domiciled in said foreign state and
28 authorized or seeking to be authorized to do business in the
29 state of Iowa, and upon failure of such companies to comply
30 with the provisions of such restrictions or regulations the
31 insurance commissioner may cancel the authority of such
32 companies to do business in this state.

33 “In the event the regulations of the state of Iowa and of
34 a foreign state are in conflict with respect to foreign
35 insurance companies, the insurance commissioner is hereby
36 authorized to enter into a reciprocal agreement with the
37 insurance commissioner of said foreign state modifying said
38 restrictions and regulations in such a manner as to permit
39 Iowa companies to be licensed in said foreign state upon
40 substantially the same basis as the companies of said foreign
41 state are permitted to be licensed in Iowa. Provided, however,

42 that no such agreement shall so modify the restrictions and
43 regulations of the state of Iowa in such a way as to permit a
44 foreign company to do business in this state under more
45 favorable circumstances than companies authorized in the state
46 of Iowa.”

EXPLANATION OF H. F. 626

The purpose of this bill is to prevent discrimination against Iowa insurance companies. This bill will guarantee like treatment of both Iowa and out of state companies in the insurance field.