

January 21, 1963.

Insurance. *Passed amended 1/31*
Senate " 2-7 - Passed 2/20

House File 21

By MOWRY, GOODE, SWISHER,
FISCHER of Grundy, EVELAND
and ANDERSEN of Woodbury.

Passed House, Date *2-7-63*

Passed Senate, Date *2-22-63*

Vote: Ayes..... Nays *1*

Vote: Ayes *45* Nays *9*

Approved *2-27-63*

A BILL FOR

An Act relating to subsidiary companies of life insurance companies.

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

1 Chapter five hundred eight (508), Code 1962, is hereby amended by adding

2 thereto the following new sections:

1 Section 1. Any life insurance company incorporated

2 in this state may organize, or acquire by purchase, in

3 whole or in part subsidiary insurance and investment com-

4 panies in which it owns not less than fifty-one percent

5 (51%) of the common stock, and notwithstanding any pro-

6 visions of the Code inconsistent herewith may (1) invest

7 funds from surplus for such purpose, (2) make loans to such

8 subsidiaries, and (3) permit all or part of its officers

9 and directors to serve as officers or directors of such

10 subsidiary companies.

1 Sec. 2. Any subsidiary company shall be a separate

2 and distinct company, with neither the organizing or

3 acquiring life company or such subsidiary having any

4 liability to the creditors, policyholders or stockholders,

5 if any, of the other. The organizing or acquiring company

6 may be either a mutual or stock company.

1 Sec. 3. Any such subsidiary company organized by

2 any such life insurance company shall comply with all

3 the laws of the state of its incorporation pertaining
4 to the organization and qualification to do business
5 of its class or kind, and if incorporated outside of
6 the State of Iowa shall be admitted to do business in
7 this state only upon qualification under the laws of
8 the State of Iowa relating to such foreign corpora-
9 tions.

EXPLANATION OF HOUSE FILE 21

This bill authorizes life insurance companies incorporated in Iowa to own subsidiary companies as are permitted companies incorporated in other states.

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- 1 Amend House File 21 as follows:
2 1. Amend section one (1), line five (5), by inserting after the
3 word "any" and the word "other".
4 2. Amend section one (1), line six (6), by striking the words
5 "the Code" and inserting in lieu thereof the words "this chapter".

Filed - *cc*
January 31, 1963.

COMMITTEE ON INSURANCE,
HAROLD O. FISCHER, *Chairman*.