

February 26, 1963.

House File 356

Insurance. By KNOCK and VERMEER.

Passed House, Date..... Passed Senate, Date.....

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

Approved.....

A BILL FOR

An Act relating to investment regulations for life insurance companies authorized to do business in Iowa.

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

- 1 Section 1. Section five hundred eleven point eight (511.8),
2 Code 1962, is hereby amended by adding the following subsection:
3 "In addition to the investment practices required by this
4 section:
5 a. Each life insurance company authorized to do business in
6 this state on July 4, 1963, whose investments in Iowa securities
7 as of December 31, 1962, equaled or exceeded fifty (50) percent
8 of the amount of its required Iowa reserves as of that date,
9 shall maintain investments in Iowa securities at a rate equal to
10 or in excess of fifty (50) percent of its required Iowa reserves.
11 b. Each life insurance company authorized to do business in
12 this state on July 4, 1963, whose investments in Iowa securities
13 as of December 31, 1962, were less than fifty (50) percent of the
14 amount of its required Iowa reserves shall increase its Iowa in-
15 vestments at a rate calculated to assured that fifty (50) percent
16 of the amount of its required Iowa reserves shall be invested in
17 Iowa securities on or before December 31, 1969, and thereafter
18 shall maintain its investments in Iowa securities at a rate equal
19 to or in excess of fifty (50) percent of its required Iowa re-
20 serves. If the application of the provisions of this paragraph

21 would tend to work a hardship upon any life insurance company
22 authorized to do business in this state, the commissioner of
23 insurance may grant an extension of time, not to exceed five (5)
24 years, for compliance with this paragraph.

25 c. Each life insurance company whose authorization to do
26 business in Iowa is granted after July 4, 1963, shall be required
27 to maintain investments in Iowa securities equal to or in excess
28 of fifty (50) percent of its required Iowa reserves.

29 d. Each life insurance company doing business in this state
30 shall file a verified report with the insurance commissioner
31 on or before March 1 each year showing the entire amount of the
32 reserve on its entire business in force in this state on the
33 December 31 immediately preceding, and an itemized schedule of
34 its Iowa investments.”

EXPLANATION OF HOUSE FILE 356

The purpose of this bill is to require all life insurance companies authorized to do business in Iowa to invest at least 50 percent of their required Iowa reserves in Iowa securities.