

CHAPTER 72

INSURANCE DIVISION; PROHIBITIONS AND PENALTIES

Sec.		Sec.	
72.01	Complainant entitled to one-half fine, when	72.09	Failure to make annual statement; suspension of license
72.02	Guaranty against assessment forbidden	72.10	Violations
72.03	Failure to appear before or obstructing commissioner a gross misdemeanor	72.11	Failure to make report or comply with law
72.04	Issue of prohibited life policies	72.12	Other violations
72.05	Agent of insurer; procuring premiums by fraud a misdemeanor	72.13	Rebate on insurance contracts prohibited
72.06	Penalty for unlawful acts of licensed person	72.14	Insured prohibited from receiving rebates
72.07	Unlawful procurement or use of proxy	72.15	Application of sections 72.13 to 72.16
72.08	False statements in applications	72.16	Penalty for violation
		72.17	Discrimination in policies or risks forbidden

72.01 COMPLAINANT ENTITLED TO ONE-HALF FINE, WHEN. The person, other than the commissioner, or his deputy, upon whose complaint a conviction is had for violation of the law prohibiting insurance in or by foreign companies not authorized to do business in this state, shall be entitled to one-half the fine recovered upon sentence therefor.

[R. L. s. 1711] (3753)

72.02 GUARANTY AGAINST ASSESSMENT FORBIDDEN. Every director, officer, or agent of an insurance company who officially or privately gives a guaranty to a policyholder thereof against an assessment for which he would otherwise be liable shall be guilty of a misdemeanor.

[R. L. s. 1712; 1915 c. 84 s. 1] (3754)

72.03 FAILURE TO APPEAR BEFORE OR OBSTRUCTING COMMISSIONER A GROSS MISDEMEANOR. Whoever without justifiable cause neglects, upon due summons, to appear and testify before the commissioner, as provided in sections 72.02 to 72.06, or obstructs the commissioner, or his deputy, in his examination of an insurance company, shall be guilty, for the first offense, of a misdemeanor, and for each subsequent offense, of a gross misdemeanor.

[R. L. s. 1713; 1915 c. 84 s. 2] (3755)

72.04 ISSUE OF PROHIBITED LIFE POLICIES A GROSS MISDEMEANOR. Every officer or agent of a life insurance company who shall issue any policy in violation of any order or other prohibition by the commissioner made pursuant to law, shall be guilty, for the first offense, of a misdemeanor, and for each subsequent offense, of a gross misdemeanor.

[R. L. s. 1715; 1915 c. 84 s. 3] (3756)

72.05 AGENT OF INSURER; PROCURING PREMIUMS BY FRAUD A MISDEMEANOR. Every insurance agent or broker who acts for another in negotiating a contract of insurance by an insurance company shall be held to be the company's agent for the purpose of collecting or securing the premiums therefor, whatever conditions or stipulations may be contained in the contract or policy. When any such agent or broker by fraudulent representations procures payment, or an obligation for the payment, of an insurance premium he shall be guilty, for the first offense, of a misdemeanor, and for each subsequent offense, of a gross misdemeanor.

[R. L. s. 1716; 1915 c. 84 s. 4] (3757)

72.06 PENALTY FOR UNLAWFUL ACTS OF LICENSED PERSON. Every person licensed to procure insurance in an unlicensed foreign company who fails to file the affidavit and statement required in such case or who wilfully makes a false affidavit or statement shall forfeit his license and be guilty, for the first offense, of a misdemeanor, and for each subsequent offense, of a gross misdemeanor.

[R. L. s. 1717; 1915 c. 84 s. 5] (3758)

72.07 UNLAWFUL PROCUREMENT OR USE OF PROXY. Every officer or agent of a domestic mutual insurance company who shall solicit, receive, procure to be obtained, or use, a proxy vote in violation of any provision of law shall be guilty of a gross misdemeanor.

[R. L. s. 1718] (3759)

72.08 FALSE STATEMENTS IN APPLICATIONS. Every solicitor, agent, examining physician, or other person who knowingly or wilfully makes a false or fraudulent statement in, or relative to, any application for insurance or membership for any purpose shall be guilty of a gross misdemeanor.

[R. L. s. 1719] (3760)

72.09 FAILURE TO MAKE ANNUAL STATEMENT; SUSPENSION OF LICENSE. The license and authority of any insurance company licensed and authorized to do business in this state which neglects to file its annual statement in the form prescribed and within the time specified by law may in the discretion of the commissioner be suspended during the time the company may be so in default. Any company which shall write any new business in this state while its license is so suspended and after it shall have been notified by the commissioner by a notice mailed to the home office of the company that its license has been suspended shall forfeit to the state the sum of \$25.00 for each contract of insurance entered into by it after being so notified that its license and authority have been so suspended. The notification shall be mailed by registered letter and deemed to have been received by the company at its home office in the usual course of the mails. Any insurance company wilfully making a false annual or other required statement shall forfeit \$500.00 to the state. Either or both of these forfeitures may be recovered in a civil action brought by and in the name of the state and the money recovered shall be paid into the state treasury.

[R. L. s. 1720; 1919 c. 449 s. 1] (3761)

72.10 VIOLATIONS. Every company, and every officer and agent of any company, making, issuing, delivering, or tendering any policy of insurance of any kind, or directing any of the same to be done, in wilful violation of any of the provisions of law, for a first offense, shall be guilty of a misdemeanor, and for each subsequent offense, of a gross misdemeanor; and, in addition to all other penalties prescribed by law, every company issuing any such policy shall be disqualified from doing any insurance business in this state until the payment of all fines imposed and for one year thereafter.

[R. L. s. 1721] (3762)

72.11 FAILURE TO MAKE REPORT OR COMPLY WITH LAW. Every officer and agent of any insurance company required to make any report or perform any act who shall neglect or refuse to comply with such requirement, and every agent, solicitor, or collector of the corporation in this state who fails or neglects to procure from the commissioner a certificate of authority to do such business, or who fails or refuses to comply with, or violates, any provision of the insurance law, shall be guilty, for the first offense, of a misdemeanor, and for each subsequent offense, of a gross misdemeanor.

[R. L. s. 1722; 1915 c. 84 s. 6] (3763)

72.12 OTHER VIOLATIONS. Whoever violates any provision of the insurance law where the nature of the offense is not specifically designated herein shall be guilty, for the first offense, of a misdemeanor, and for each subsequent offense, of a gross misdemeanor.

[R. L. s. 1723; 1915 c. 84 s. 7] (3764)

72.13 REBATE ON INSURANCE CONTRACTS PROHIBITED. No insurance company or association, however constituted or entitled, doing business in this state, nor any officer, agent, subagent, broker, solicitor, employee, intermediary, or representative thereof, shall make or permit any advantage or distinction in favor of any insured individual, firm, corporation, or association with respect to the amount of premium named in, or to be paid on, any policy of insurance, or shall offer to pay or allow directly or indirectly or by means of any device or artifice, as inducements to insurance, any rebate or premium payable on the policy, or any special favor or advantage in the dividends or other profit to accrue thereon, or any valuable consideration or inducement not specified in the policy contract of insurance, or give, sell, or purchase, offer to give, sell or purchase, as inducement to insure or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, partnership, or individual, or any dividends or profits accrued or to accrue thereon, or anything of value, not specified in the policy.

[1909 c. 427 s. 1] (3766)

72.14 INSURED PROHIBITED FROM RECEIVING REBATES. No person shall receive or accept from any such company or association, or from any of its officers, agents, subagents, brokers, solicitors, employees, intermediaries, or repre-

sentatives, or any other person any such rebate of premium payable on the policy, or any special favor or advantage in the dividends or other financial profits accrued, or to accrue, thereon, or any valuable consideration or inducement not specified in the policy of insurance. No person shall be excused from testifying, or from producing any books, papers, contracts, agreements, or documents, at the trial of any other person, copartnership, association, or company charged with violation of any provision of this section on the ground that the testimony or evidence may tend to incriminate; but no person shall be prosecuted for any act concerning which he shall be compelled to so testify or produce evidence, documentary or otherwise, except for perjury committed in so testifying.

[1909 c. 427 s. 2] (3767)

72.15 APPLICATION OF SECTIONS 72.13 TO 72.16. The provisions of sections 72.13 to 72.16 shall not apply to any policy procured by officers, agents, sub-agents, brokers, employees, intermediaries, or representatives wholly and solely upon property of which they are, respectively, the owner at the time of procuring the policy, where the officers, agents, sub-agents, brokers, employees, intermediaries, or representatives are, and have been for more than six months prior to the issuing of the policy, regularly employed by, or connected with, the company or association issuing the policy; and any life insurance company doing business in this state may issue industrial policies of life or endowment insurance, with or without annuities, with special rates of premiums less than the usual rates of premiums for these policies, to members of labor organizations, credit unions, lodges, beneficial societies, or similar organizations, or employees of one employer, who, through their secretary or employer, may take out insurance in an aggregate of not less than 50 members and pay their premiums through the secretary or employer.

[1909 c. 427 s. 3; 1941 c. 505] (3768)

72.16 PENALTY FOR VIOLATION. Any company, association, or individual violating any provisions of sections 72.13 to 72.16, whether the violation be in the giving or accepting of anything herein prohibited, shall be punished by a fine of not less than \$60.00, nor more than \$200.00.

[1909 c. 427 s. 4] (3769)

72.17 DISCRIMINATION IN POLICIES OR RISKS FORBIDDEN. No insurance company, or its agent, shall refuse to issue any standard policy of automobile liability insurance or make any discrimination in the acceptance of risks, in rates, premiums, dividends, or benefits of any kind, or by way of rebate between persons of the same class, nor on account of race. Every company or agent violating any of the foregoing provisions shall be fined not less than \$50.00, nor more than \$100.00, and every officer, agent, or solicitor violating the same shall be guilty of a misdemeanor.

[1941 c. 283]