

No. 43

AN ACT

SB 954

Amending the act of May 17, 1921 (P. L. 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," shortening the period of time during which any insurance company may cease to make new insurances.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 339, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended to read:

Section 339. Failure To Do Business; Dissolution.—If any stock or mutual insurance company does not commence to issue policies within one year from the date of its letters patent, or if any insurance company shall cease for [two years] one year to make new insurances, its corporate powers and existence shall cease, and the court, upon petition of the Attorney General, may fix by decree the time within which it shall settle and close its affairs.

APPROVED—The 17th day of April, A. D. 1968.

RAYMOND P. SHAFER

No. 44

AN ACT

SB 957

Amending the act of May 17, 1921 (P. L. 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," further regulating the making of advances to mutual insurance companies.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 809, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended to read:

Section 809. Loans to Companies.—Any director, officer, or member of any mutual insurance company, other than a mutual life company, or any other person, may advance to such company any sum or sums of money necessary for the purpose of its business or to enable it to comply with any of the requirements of the law. Such moneys, and such interest thereon as may have been agreed upon, not exceeding ten per centum (10%) per annum, shall not be a liability or claim against the company or any of its assets, and shall be repaid only out of the surplus earnings of such company. No commission or promotion expenses shall be paid in connection with the advance of any such money to the company, and the amount of such advance shall be reported in each annual statement.

Such company shall prior to making such advances provide the Insurance Commissioner with such evidence as he may by regulation prescribe concerning the making of any such advance or the making of any payments, whether of principal or interest, on account thereof.

APPROVED—The 17th day of April, A. D. 1968.

RAYMOND P. SHAFER

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No. 45

AN ACT

SB 959

Making unlawful the borrowing or rental of securities by insurance companies and affiliated companies or individuals, and providing penalties.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Any member, officer, director, or attorney-in-fact of any company, association, or exchange licensed to do an insurance business in this Commonwealth, who, on behalf of such company, association, or exchange, borrows, rents, hires, leases, or otherwise engages the use of stocks, bonds, debentures, notes, investment certificates, securities, or other obligations or evidences of indebtedness owned or issued by any other corporation, company, association, or individual, or of any government, political subdivision or agency thereof, with intent to injure or defraud any other company, body politic or corporation, or person, or to deceive the Insurance Commissioner or other person legally authorized to examine the affairs of any such company, association, or exchange, is guilty of a felony.