

and, in case he finds that it has complied with the provisions of this act, and is possessed of funds, invested in the manner hereinafter specified, equal to the amount of its capital, he shall issue to said company a certificate showing that it has been organized in accordance with the provisions of this act, and that it has the requisite amount of capital for the transaction of business in the Commonwealth, which certificate shall empower the company to issue policies, and otherwise transact the business of insurance for which it was incorporated.

(b) In the case of a mutual life insurance company incorporated under this act, upon the receipt of a notice from the president or secretary of such company, the Insurance Commissioner shall make an examination; and, if he finds that the necessary amount of insurance has been applied for, and that fifty per centum (50%) of the guarantee capital has been paid in and invested, less the necessary expenses of organization, and that obligations have been given for the remaining moiety of the guarantee capital, he shall issue a certificate authorizing the company to commence business.

(c) The Insurance Commissioner shall, upon the receipt of a notice from the president or secretary of any mutual company, other than a life company, incorporated under this act, make an examination of such company; and, if he finds that such company has complied with the provisions of this act, he shall issue a certificate authorizing the company to commence business.

The Insurance Commissioner may also conduct such examination of any proposed company, as may be deemed necessary, to determine whether the responsibility, character, and general fitness for the business, of the incorporators and directors, named in the articles, are such as to command the confidence of the public, and to warrant the belief that the business of the proposed company will be honestly and efficiently conducted, in accordance with the intent and purpose of this act.

APPROVED—The 4th day of June, A. D. 1937.

GEORGE H. EARLE

No. 340

AN ACT

To amend the act, approved the seventeenth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, seven hundred eighty-nine), entitled "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insur-

ance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties; and repealing existing laws," adding thereto section 209A, authorizing the Insurance Commissioner to impose penalties upon any insurance company, association, or exchange which exceeds the powers granted under a certificate of authority.

Section 1. Be it enacted, &c., That the act, approved the seventeenth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, seven hundred eighty-nine), entitled "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations, or exchanges; providing penalties; and repealing existing laws," is hereby amended by adding thereto section 209A to read as follows:

Section 209A. Penalty For Exceeding Powers Granted Under Certificate of Authority.—Any insurance company, association or exchange, doing an insurance business within this Commonwealth, that shall exceed the powers granted under a certificate of authority, shall forfeit and pay to the Commonwealth a sum of not more than five hundred dollars (\$500) for each and every policy issued in violation of this section. Before the Insurance Commissioner shall take any action, as above set forth, he shall give written notice to the company, association or exchange accused of violating the law, stating specifically the nature of such alleged violation, and fixing a time and place, at least ten (10) days thereafter, when a hearing of the matter shall be held. After such hearing or failure of the accused to appear at such hearing, the Insurance Commissioner shall impose such penalty as he deems advisable.

Insurance.
Act of May 17,
1921 (P. L.
739), amended
by adding thereto
a new section.

APPROVED—The 4th day of June, A. D. 1937.

GEORGE H. EARLE