

No. 469

AN ACT

To add section five hundred and fifty-three to the act, approved the seventeenth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, six hundred eighty-two), 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," providing additional penalties.

Section 1. Be it enacted, &c., That article five of the act, approved the seventeenth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, six hundred eighty-two), 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," is hereby amended by adding at the end thereof a new section to read as follows:

Article 5, act of
May 17, 1921
(P. L. 682),
amended by
adding section
553.

Section 553. Penalty for Failure to Comply with Provisions Relating to Fire Insurance Rates and Rating Bureaus.—Upon satisfactory evidence that any insurer or bureau has violated, or failed or refused to comply with, any of the provisions of subdivision (d) of this article, the Insurance Commissioner may, in his discretion, take against the offending party any one or more of the following courses of action—(1) Suspend or revoke the license of such offending insurer; (2) refuse, for a period of not to exceed one year thereafter, to issue a new license to such offending insurer; (3) impose a penalty of not more than one thousand dollars (\$1,000) for each act of violation of any of the provisions of said subdivision. When the Insurance Commissioner shall have taken any action, as above set forth, the party aggrieved may appeal to the court of common pleas of Dauphin County. Any insurer or bureau that shall violate, or fail or refuse to comply with, any of the provisions of subsection (d) of this article, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500).

Penalties.

When effective.

Section 2. This act shall become effective immediately upon its final enactment.

APPROVED—The 1st day of July, A. D. 1937.

GEORGE H. EARLE

No. 470

AN ACT

To establish funds to provide security for the payment of benefits in event of the insolvency of an insurance carrier authorized to write workmen's compensation insurance in this Commonwealth; and to provide for the administration thereof.

Title.

Section 1. Be it enacted, &c., That this act shall be known, and may be cited, as the "Workmen's Compensation Security Fund Act."

Definitions.

Section 2. As hereafter used in this act, unless the context or subject matter otherwise require—

"Stock Fund" means the stock workmen's compensation security fund.

"Mutual Fund" means the mutual carrier and reciprocal exchange workmen's compensation security fund created by this act.

"Funds" means the stock workmen's compensation security fund and the mutual carrier and reciprocal exchange workmen's compensation security fund.

"Fund" means either the stock fund or the mutual carrier and reciprocal exchange fund, as the context may require.

"Fund year" means the calendar year.

"Stock Company" means any stock corporation authorized to transact the business of workmen's compensation insurance in this Commonwealth, except an insolvent stock company.

"Mutual carrier" means any corporation or association organized and operating on the mutual plan, including the State Workmen's Insurance Fund, authorized to transact the business of workmen's compensation insurance in this Commonwealth, except an insolvent mutual carrier.

"Reciprocal exchange" means any association or group of persons exchanging contracts of insurance or indemnity on the reciprocal or inter-insurance plan, authorized to transact the business of workmen's compensation insurance in this Commonwealth, except an insolvent reciprocal exchange.

"Carrier" means either a stock company, a mutual company, a reciprocal exchange, or the State Workmen's Insurance Fund, as the context may require.