

When a corporation has acquired a substantial part of its property within ten years immediately preceding such investment by consolidation or merger or, by the purchase of a substantial part of the property of any other corporation or corporations, the earnings of the predecessor or constituent corporations shall be consolidated so as to ascertain whether the requirements of this section have been satisfied.

“Corporation,” as used in this clause, shall include a voluntary association, a joint-stock association or company, a business trust, a Massachusetts trust, a common-law trust, and any other organization organized and existing for any lawful purpose and which, like a corporation, continues to exist notwithstanding changes in the personnel of its members or participants, and conducts its affairs through a committee, a board, or some other group acting in a representative capacity; and

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Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 28th day of August, A. D. 1959.

DAVID L. LAWRENCE

No. 273

### AN ACT

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,” increasing the amount of salary, compensation or emolument which may be paid without prior vote of the board of directors.

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

The Insurance Company Law of 1921.

Section 1. Section 402, act of May 17, 1921 (P. L. 682), known as “The Insurance Company Law of 1921,” is amended to read:

Section 402, act of May 17, 1921, P. L. 682, amended.

Section 402. Compensation of Officers, Directors, Trustees, Et Cetera.—No domestic stock or mutual life insurance company shall make any agreement with any officer, director, trustee, or salaried employe whereby the company agrees that, for services rendered or to be rendered, the salary or compensation or emolument will

extend for a period beyond twelve months from the date of such agreement. No director or trustee shall receive any compensation or emolument, other than a fee for attendance at committee or board meetings and for expenses legitimately incurred for travel and maintenance to attend such meetings. No salary, compensation, or emolument exceeding [five] *ten* thousand dollars in any one year shall be paid to any officer, director, trustee, person, firm, or corporation, unless such salary, compensation, or emolument is first authorized by a vote of the board of directors. This shall not apply to commissions accruing on agents' contracts or any agreement between the company and agents for the payment of renewal commissions.

No officer whose services are paid for at an amount exceeding twelve hundred dollars a year shall receive compensation or emolument from any other source, excepting renewal commissions which may be due him from time to time on business obtained prior to the time of his election to office.

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 28th day of August, A. D. 1959.

DAVID L. LAWRENCE

No. 274

AN ACT

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," providing for deferment of payment of a portion of the salary of officers or employes for more than twelve months.

The Insurance Company Law of 1921.

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

Section 402, act of May 17, 1921, P. L. 682, amended.

Section 1. Section 402, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended to read:

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