

Section 1. Subsection (c) of section 431, act of April 12, 1951 (P. L. 90), known as the "Liquor Code," amended January 14, 1952 (P. L. 2089), is amended to read:

Section 431. Malt and Brewed Beverages Manufacturers', Distributors' and Importing Distributors' Licenses.—* * *

(c) The aforesaid licenses shall be issued only to reputable individuals, partnerships and associations who are, or whose members are, citizens of the United States and have for two years prior to the date of their applications been residents of the Commonwealth of Pennsylvania or to reputable corporations organized or duly registered under the laws of the Commonwealth of Pennsylvania. Such licenses shall be issued to corporations duly organized or registered under the laws of the Commonwealth of Pennsylvania only when it appears that all of the officers and directors of the corporation are citizens of the United States and have been residents of the Commonwealth of Pennsylvania for a period of at least two years prior to the date of application, and that at least fifty-one per centum of the capital stock of such corporation is actually owned by individuals who are citizens of the United States and have been residents of the Commonwealth of Pennsylvania for a period of at least two years prior to the date of application: Provided, That stock inherited by an individual nonresident from a deceased [resident] owner thereof and stock held by an individual or corporate trustee for the benefit of any individual who is a beneficiary of a trust which is valid under the laws of this Commonwealth shall, for the purposes of this subsection, be considered as being owned by a resident of the Commonwealth of Pennsylvania, so long as it is actually owned by such individual nonresident inheritor or held by such trustee.

APPROVED—The 18th day of January, A. D. 1968.

RAYMOND P. SHAFER

No. 433

AN ACT

SB 378

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 providing for the issuance of policies covering dependents over nineteen years of age who are incapable of self-sustaining employment by reason of mental retardation or physical handicap.

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

Section 1. Subsection (A) of section 617, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," added May 25, 1951 (P. L. 417), is amended by adding, at the end thereof, a new clause to read:

Section 617. Conditions Subject to Which Policies Are to Be Issued.—(A) No such policy shall be delivered or issued for delivery to any person in this Commonwealth unless:

* * *

(9) A policy delivered or issued for delivery after January 1, 1968, under which coverage of a dependent of a policyholder terminates at a specified age shall, with respect to an unmarried child covered by the policy prior to the attainment of the age of nineteen who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and who became so incapable prior to attainment of age nineteen and who is chiefly dependent upon such policyholder for support and maintenance, not so terminate while the policy remains in force and the dependent remains in such condition, if the policyholder has within thirty-one days of such dependent's attainment of the limiting age submitted proof of such dependent's incapacity as described herein. The foregoing provisions of this paragraph shall not require an insurer to insure a dependent who is a mentally retarded or physically handicapped child where the policy is underwritten on evidence of insurability based on health factors set forth in the application or where such dependent does not satisfy the conditions of the policy as to any requirement for evidence of insurability or other provisions of the policy, satisfaction of which is required for coverage thereunder to take effect. In any such case the terms of the policy shall apply with regard to the coverage or exclusion from coverage of such dependent.

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Section 2. Subsection (a) of section 621.2 of the act, added December 9, 1955 (P. L. 807), is amended by adding, at the end thereof, a new clause to read:

Section 621.2. Group Accident and Sickness Insurance.—(a) Group

accident and sickness insurance is hereby declared to be that form of accident and sickness insurance covering groups of persons defined in this section with or without one or more members of their families or one or more of their dependents, or covering one or more members of the families or one or more dependents of such groups or persons and issued upon the following basis:

* * *

(6) A policy delivered or issued for delivery on or after January 1, 1968 under which coverage of a dependent of an ¹ employe or other member of the insured group terminates at a specified age shall, with respect to an unmarried child covered by the policy prior to the attainment of the age of nineteen who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and who became so incapable prior to attainment of age nineteen and who is chiefly dependent upon such employe or member for support and maintenance, not so terminate while the insurance of the employe or member remains in force and the dependent remains in such condition, if the insured employe or member has within thirty-one days of such dependent's attainment of the termination age submitted proof of such dependent's incapacity as described herein. The foregoing provisions of this paragraph shall not require an insurer to insure a dependent who is a mentally retarded or physically handicapped child of an employe or other member of the insured group where such dependent does not satisfy the conditions of the group policy as to any requirements for evidence of insurability or other provisions as may be stated in the group policy required for coverage thereunder to take effect. In any such case the terms of the policy shall apply with regard to the coverage or exclusion from coverage of such dependent.

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APPROVED—The 18th day of January, A. D. 1968.

RAYMOND P. SHAFER

¹ "employee" in original.