

No. 283

AN ACT

HB 2391

Amending the act of May 17, 1921 (P.L.682, No.284), 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," making subject to provisions of section 337.6 of the Insurance Company Law of 1921 acquisitions of or offers to acquire insurance stock or insurance holding company stock not required to be registered under section 12 of the United States Securities Exchange Act of 1934.

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

Section 1. Subsection (l) of section 337.6, act of May 17, 1921 (P.L.682, No.284), known as "The Insurance Company Law of 1921," added November 25, 1968 (P.L.1086, No.337), is amended to read:

Section 337.6. Approval of the Insurance Commissioner Required in Connection with Certain Acquisitions of or Offers to Acquire the Capital Stock of Certain Corporations.—* * *

(l) The provisions of this section shall not apply to any of the following acquisitions of or offers to acquire insurance stock or insurance holding company stock:

(1) Any acquisition or offer by (i) the issuer of such stock, or (ii) a person who at the time owns beneficially at least two-thirds (2/3) of the shares of each class proposed to be acquired.

(2) Any acquisition or offer to acquire insurance stock pursuant to section 337.5 of this act.

[(3) Any acquisition or offer where the class of shares proposed to be acquired is not required to be registered under section 12 of the Securities Exchange Act of 1934, unless such registration would be required but for the provisions of section 12g (2) (G) thereof.]

(4) An offer or acquisition which the Insurance Commissioner by order shall in a particular case exempt from the provisions of this section as not entered into for the purpose of, and not having the effect of, changing or influencing the control of an insurance company organized under the laws of this Commonwealth or an insurance holding company and as not requiring the following of the procedures described in this section for the protection of stockholders whose shares are to be acquired: Provided, That prior to the issuance of any such order, notice that he is considering the issuance of such an order, shall be given by the Insurance Commissioner to the person proposing to make the offer or acquisition, to the issuer whose stock is proposed to be acquired, and, if

such issuer is an insurance holding company, to the insurance company sixty-six and two-thirds per centum (66 2/3%) or more whose outstanding capital stock of any class is beneficially owned by such insurance holding company: And, provided further, That the Insurance Commissioner shall hold a hearing for the purpose of determining whether such an order should be granted if, within ten (10) days of the mailing of the aforesaid notice that he is considering the granting of such an order, written request for the holding of such a hearing is made to the Insurance Commissioner by the issuer whose stock is proposed to be acquired, or, if such issuer is an insurance holding company, by the insurance company sixty-six and two-thirds per centum (66 2/3%) or more of whose outstanding capital stock of any class is beneficially owned by such insurance holding company.

Section 2. This act shall take effect immediately.

APPROVED—The 10th day of December, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 283.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style with a large initial "C" and "T".

Secretary of the Commonwealth.