

No. 1977-64

AN ACT

SB 631

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," further providing for the approval of the Insurance Commissioner required in connection with certain acquisitions of or offers to acquire the capital stock of certain corporations.

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

Section 1. Clause (3) of subsection (b) 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.—* * *

(b) Without first complying with all applicable provisions of this section:

* * *

(3) No person shall, directly or indirectly through an intermediary or otherwise, acquire or offer to acquire beneficial ownership of insurance stock or insurance holding company stock pursuant to a plan whereby such person would become the beneficial owner of more than ten per centum (10%) of the outstanding insurance stock or insurance holding company stock of any class of any issuer: Provided, That, in a case where it is proposed to acquire or offer to acquire beneficial ownership of insurance holding company stock and *neither* such insurance holding company [**is not**] *nor any affiliate which it controls are* incorporated under the laws of this Commonwealth, the restrictions set forth in this subsection shall apply only if those to whom an offer to acquire the insurance holding company stock is to be made include one or more residents of this Commonwealth.

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Section 2. This act shall take effect immediately.

APPROVED—The 28th day of October, A. D. 1977.

MILTON J. SHAPP