

No. 1977-77

## AN ACT

SB 630

Amending the act of May 17, 1921 (P.L. 789, No. 285), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties, and repealing existing laws," changing certain provisions relating to the impairment of capital and reserves.

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

Section 1. Section 321, act of May 17, 1921 (P.L. 789, No. 285), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," is amended to read:

Section 321. Notice of Impairment of Funds.—Having charged as a liability the reinsurance and loss reserves as above defined for insurance companies and exchanges of this Commonwealth other than life insurance companies, and adding thereto all other debts and claims against the company or exchange, the commissioner shall, in case he finds the capital or reserve of the company or exchange impaired [**twenty per centum**] *to any degree*, give notice to the company or exchange to make good the capital or reserve within [**sixty**] *thirty* days.

Section 2. This act shall take effect immediately.

APPROVED—The 1st day of December, A. D. 1977.

MILTON J. SHAPP