
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No.

309

Session of

1961

INTRODUCED BY MESSRS. WADE, VAN SANT, McCREESH
AND MURRAY, FEBRUARY 27, 1961.

REFERRED TO COMMITTEE ON INSURANCE,
FEBRUARY 27, 1961.

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

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

Insurance Fund providing penalties and repealing existing laws”
providing for the merger or consolidation of domestic and foreign
life insurance companies

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

1 Section 1 Section 337 act of May 17 1921 (P I. 682) known as
2 “The Insurance Company Law of 1921” added June 23 1931 (P I. 915)
3 is amended to read
4 Section 337 Merger of Domestic and Foreign Life Fire and Marine
5 Insurance Companies and/or Casualty and/or Surety Companies Any
6 life fire or marine insurance company or casualty or surety company or
7 companies organized under the laws of this Commonwealth and authorized
8 to do the business specified in this act are hereby authorized to merge or
9 consolidate in the manner herein provided with a company or companies
10 organized under the laws of another state or states or territory or terri-
11 tories of the United States [duly admitted to this State and authorized
12 to transact therein the business above specified] if such merger or con-
13 solidation is authorized by the laws or approved by the insurance super-
14 vising officials of the state or states or territory or territories in which
15 such foreign company or companies are incorporated Such domestic

1 company or companies shall comply with all the requirements as to the
2 terms and conditions of the merger or consolidation agreement and the
3 steps to be taken and acts to be performed for the adoption execution
4 and approval of the merger of two or more domestic companies Such
5 foreign company or companies shall comply with all of the requirements
6 of the laws or of the supervising insurance officials of the state or states
7 or territory or territories under which it is or they are incorporated regu-
8 lating the terms and conditions of such merger or consolidation agreement
9 and the steps to be taken and acts to be performed for the execution
10 adoption and approval thereof which agreement must first be approved
11 by the Insurance Commissioner of this Commonwealth The domicile of
12 the surviving or new company formed by or resulting from such merger
13 or consolidation shall be located in this Commonwealth unless the
14 Insurance Commissioner of this Commonwealth shall consent in writing
15 endorsed on the merger or consolidation agreement that such merged
16 or consolidated company may be domiciled in some other state or terri-
17 tory of the United States No such merged or consolidated company
18 domiciling in another state or territory shall have any authority to
19 transact business within this Commonwealth unless such company shall
20 otherwise comply with the law of the Commonwealth as respects its

1 admission to transact business herein and in any case such merged or
2 consolidated company shall in writing designate the Secretary of the
3 Commonwealth and his successor in office as the true and lawful at-
4 torney of such corporation on whom may be served all lawful process
5 in any action or proceeding against it for enforcement against it
6 of any obligation of any corporation participating in such merger or
7 consolidation or any obligation arising from the merger of consoli-
8 ation proceedings or any action or proceeding to determine and enforce
9 the rights of any stockholder or member under the provisions of sec-
10 tion 336 of this act and an agreement that service or process on the
11 Secretary of the Commonwealth shall be of the same legal force and
12 validity as if served upon such corporation and that the authority for
13 such service of process shall continue in force as long as any of the
14 aforesaid obligations and rights remain outstanding in this Common-
15 wealth

16 Upon filing such agreement with such certificate of the secretaries
17 and approval of the Insurance Commissioner endorsed thereon in the
18 office of the Insurance Commissioner and a duplicate or certified copy
19 thereof in the office of the recorder of deeds of the county where the
20 office of any domestic merged or consolidated company is located the

1 details of such agreement may be carried into effect as provided therein
2 The surviving or new company so formed by or resulting from such
3 merger or consolidation agreement may require the return of the original
4 certificates of stock held by each stockholder in each of the companies
5 to be merged or consolidated and issue in lieu thereof new certificates
6 for such number of shares of its own stock as such stockholders may
7 be entitled to receive Upon such merger or consolidation all the rights
8 franchises and interests of the companies so merging or consolidating
9 in and to every species of property and things in action belonging to
10 them or either of them shall be deemed to be transferred to and vested
11 in the surviving or new company without any other deed or transfer
12 and the surviving or new company shall hold and enjoy the same to
13 the same extent as if the old companies or either of them should have
14 continued to retain their titles The surviving or new company shall
15 succeed to all the obligations and liabilities of the old companies or
16 any of them and shall be held liable to pay and discharge all such
17 debts and liabilities in the same manner as if they had been incurred
18 or contracted by it The stockholders of the old companies shall con-

1 tinue subject to all the liabilities claims and demands existing against
2 them or either of them at or before such merger or consolidation No
3 action or proceeding pending at the time of merger or consolidation in
4 which any or all of the old companies may be a party shall abate or
5 discontinue by reason of the merger or consolidation but the same may
6 be prosecuted to final judgment in the same manner as if the merger
7 or consolidation had not taken place or the surviving or new company
8 may be substituted in place of any company so merged or consolidated
9 by order of the court in which the action or proceeding may be pending
10 So far as they may be applicable the provisions of this section shall
11 apply to all companies heretofore merged or consolidated

We certify that this bill has passed the Senate and the House of
Representatives.

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives

Approved Theday ofA. D. 1961.

.....
Governor