able and capable in law to take, hold, inherit and possess, pass and transmit all and every estate, real and personal of whatever kind or nature soever, as fully and effectually, to all intents and purposes, as if he had been born in lawful wedlock.

JAMES COOPER,
Speaker of the House of Representatives.
CH. GIBBONS,
Speaker of the Senate.

Approved—The twenty-fourth day of February, one thousand eight hundred and forty-seven.

FRS. R. SHUNK.

No. 118.

AN ACT

To incorporate the Penn mutual life insurance company.

Section 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That James E. Richardson, John G. Brenner, Richard S. Newbould, William M. Clark, William B. Cooper, John W. Horner, Samuel C. Shepherd, William A. Everly, Daniel L. Miller, William Robertson, Samuel Dutton, Daniel L. Hutchinson, Edward Lukens, William Martin, Edmund A. Souder, Ellis S. Archer, William B. Hart, Edward H. Trotter, Samuel E. Stokes, Benjamin Coates, Theodore S. Paulding, Lewis Cooper, Samuel W. Weer, Charles Schaffer, A. W. Harker, Joseph M. Thomas, William H. Carr, and all other persons who may hereafter associate with them, in the manner hereinafter prescribed, shall be a body politic and corporate, by the name of "The Penn mutual life insurance company;" and by that name shall have perpetual succession, and may sue and be sued, and hold, purchase, receive and convey real and personal estate, (with the limitations hereafter specified,) and may make and use a common seal, and alter or change the same at pleasure, and make by-laws, not inconsistent with any existing law, for the management of its property and the regulation of its affairs; but nothing herein contained shall be construed to give unto the said corporation any banking powers or privileges.

Incorporators. **Name.** **Privileges.**

Section 2. In addition to the general powers and privileges of a corporation, as the same are declared by the foregoing section, the corporation hereby created, shall have the power to insure the respective lives of its members and others, and to make all and every insurance appertaining to or connected with life risks, of whatsoever kind or nature, and to receive and execute trusts, to make endowments, and to grant and purchase annuities.

Power to insure lives.

Section 3. The real estate which it shall be lawful for the said corporation to purchase, receive, hold and convey, shall be:

Real estate may be held.

I. Such as shall be requisite for its immediate accommodation in the convenient transaction of its business; or,

II. Such as shall have been mortgaged to it, in good faith, by way of security for loans previously contracted, or for moneys due; or,

III. Such as shall have been conveyed to it, in satisfaction of debts previously contracted, in the course of its dealings; or,

IV. Such as shall be purchased at sales, upon judgments, decrees or mortgages, obtained or made for debts due said company, or for debts due other persons, where said company have liens or incumbrances on the same, and the purchase is deemed necessary to save the company from loss on the liens or incumbrances held by it. The said corporation shall not purchase, receive, hold or convey real estate in any other case or for any other purpose: *Provided*, That no real estate acquired by the corporation, excepting that necessary for the transaction of business, shall be retained by said corporation for a longer period than five years.

Proviso.

Insurers to become members.

SECTION 4. All persons who shall hereafter insure with the said corporation, and also their heirs, executors, administrators and assigns, continuing to be insured in said corporation, as hereinafter provided, shall thereby become members, during the period they shall remain insured by the said corporation, and no longer.

Annual election.

SECTION 5. All the corporate powers of the said company shall be exercised by a board of trustees, and such officers and agents as they may appoint. The board of trustees shall consist of twenty-seven persons. They shall annually elect, from among the members of the corporation, a president and vice president, who shall continue in office for the term of one year, or until others be elected in their stead; and they shall have power to declare, by by-laws, what number of trustees, less than a majority of the whole, but not less than six, shall be a quorum for the transaction of business.

First board.

SECTION 6. The persons named in the first section of this act, shall constitute the first board of trustees.

Classification of trustees.

Vacancies, how filled.

SECTION 7. The trustees shall, at their first meeting, divide themselves by lot, into three classes, of nine each. The term of the first class shall expire at the end of one year; the term of the second class shall expire at the end of two years; the term of the third class shall expire at the end of three years, and so on, successively, each and every year. The seats of these classes shall be supplied by the members of the corporation, a plurality of votes constituting a choice. This section shall not be construed to prevent a trustee going out, from being eligible to a re-election. The board of trustees may fill any vacancies in their number, occasioned by death or resignation of the incumbent, or his ceasing to be a member of the corporation. The election for trustees shall be held on the first Monday in January, in each year, between the hours of ten and twelve o'clock, at such place in the city of Philadelphia as the board of trustees shall designate, of which place they shall give at least fourteen days' previous notice, in two of the public newspapers printed in said city; and the board of trustees shall, at the same time, appoint three members of the said corporation, not trustees, to be inspectors, to conduct such elections; and if any of the said inspectors decline or fail to attend, the trustees may appoint others to fill such vacancies.

Votes.

SECTION 8. At the elections for trustees, each insured member for any sum paid in or secured as a premium of insurance to said company, during the year preceding said election, amounting to twenty-five dollars, shall have one vote, and for every additional fifty dollars so paid, one other vote.

SECTION 9. Every person who shall become a member of this corporation, by effecting insurance therein, shall, the first time he effects insurance, and before he receives his policy, pay the rates that shall be fixed upon and determined by the trustees; no member shall be liable for any losses or expenses of said company, beyond the amount of the premium which he may agree to pay said corporation. **Payment of rates.**

SECTION 10. The trustees may determine the rates of premium and terms of insurance, and the sum to be insured. **Trustees to determine rates of insurance.**

SECTION 11. It shall be lawful for the said corporation to invest their premiums, profits and capital in bonds and mortgages, ground rents, stock and loans of the United States and state of Pennsylvania, and to sell, transfer and change the same, and re-invest the funds of the said corporation, when the trustees shall deem it expedient. **May invest capital.**

SECTION 12. It shall also be lawful for the said corporation to loan or invest, not exceeding twenty-five per cent. of their funds, in loans or stock of any incorporated city or borough, or other good securities, and the same to sell, transfer, change or re-invest, as the trustees may deem proper. **May loan funds.**

SECTION 13. Suits at law may be maintained by said corporation against any of its members, for any cause relating to the business of said corporation; also, suits at law may be prosecuted and maintained by any member against the said corporation, for losses by death, if payment is withheld more than three months after the company is duly notified of such losses; and no member of the corporation shall be debarred his testimony as a witness in any case, on account of his being a member of the said company; and no member of the said corporation, not being in his individual capacity or party to such suit, shall be incompetent as a witness in any such suit, on account of his being a member or an officer of said company. **Suits of law may be maintained.**

SECTION 14. The officers of said company shall, on the first Monday in January of every year, cause a statement to be made of the affairs of the company, and a balance to be struck of the profit and loss account; and if there is a surplus, after paying all losses and expenses of the said company for the year preceding the same, they shall credit each member with such a proportion of said surplus as the premiums paid by him, her or them on risks determined, may be to the aggregate amount of the premiums earned during said year by the company. **Annual statement.**

SECTION 15. And in case of the death of any member of the said company, the amount standing to his credit at the time of his death, together with the amount of the policy in his name, shall be paid over to his legal representatives or assignees, within sixty days; the profits and accumulation standing to the credit of such persons as have ceased to be members by non-payment of premiums, or a renewal of their policy, agreeable to the by-laws of the company, shall be forfeited for the use of the corporation. **In cases of death, amount to be paid to representatives.**

SECTION 16. Within thirty days after the first Monday in January of every year, it shall be the duty of the officers of the company, to cause to be made and printed, in at least one daily newspaper published in the city of Philadelphia, a general balance statement of the affairs of the said company, and deliver to each member, upon request, a copy thereof. Such statement shall contain: **General statement to be printed.**

I. The amount of premiums received, and the amount derived from interest on loans or investments during the same period.

II. The amount of the expenses of the company, during the said period.

III. The amount of losses incurred during said period.

IV. The balance remaining with the said company.

V. The nature of the security on which the same is loaned, and the amount of cash on hand.

Business to be transacted in the city of Philadelphia.

SECTION 17. The business of the corporation shall be carried on at such place, in the city of Philadelphia, as the trustees shall direct, and at such agencies as they may establish.

When policy may be issued.

SECTION 18. No policy shall be issued by said company, until application shall be made for insurance of sums on lives, amounting, in the aggregate, to one hundred thousand dollars at least; and the trustees shall have the right to purchase, for the benefit of the company, all policies of insurance or other obligations, issued by the company.

Married women may insure the lives of their husbands.

SECTION 19. It shall be lawful for any married woman, by herself and in her name, or in the name of any third person, with his assent as her trustee, to cause to be insured, for her sole use, the life of her husband for any definite period, or for the term of his natural life; and in case of her surviving her husband, the sum or net amount of the insurance becoming due and payable by the terms of the insurance, shall be payable to her, to and for her own use, free from the claims of the representatives of her husband, or any of his creditors.

In case of her death, the insurance made payable to children.

SECTION 20. In case of the death of the wife, before the decease of her husband, the amount of the insurance may be made payable after death, to her children, for their use, and to their guardian, if under age.

Embezzlement punished.

SECTION 21. If any trustee or officer of said institution, shall fraudulently embezzle, or appropriate to his own use, or to the use of any other person or persons, any money or other property belonging to the said institution, or left with the same as a special deposit, or otherwise, he or they, on conviction thereof, shall be fined in a sum not less than the amount so appropriated or embezzled, and sentenced to undergo an imprisonment in the Eastern penitentiary, to be kept in separate and solitary confinement, at labor, for any term not exceeding two years, at the discretion of the court: *Provided*, That this shall not prevent any person or persons aggrieved, from pursuing his, her or their civil remedy against such person or persons.

Reservation.

SECTION 22. The legislature may, at any time, alter or repeal this act, in such manner, however, as shall do no injustice to the corporators, or injuriously effect any contract or engagement made by or with the said company.

JAMES COOPER,
Speaker of the House of Representatives.

CH. GIBBONS,
Speaker of the Senate.

APPROVED—The twenty-fourth day of February, one thousand eight hundred and forty-seven.

FRS. R. SHUNK.