

notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

(9) Any person violating any provision of this section shall be guilty of a misdemeanor, and, upon conviction, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500.00) for each such violation.

Section 2. This act shall take effect January 1, 1966.

APPROVED—The 9th day of November, A. D. 1965.

WILLIAM W. SCRANTON

No. 330

AN ACT

HB 1427

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 Insurance Fund; providing penalties; and repealing existing laws," providing for the regulation of proxies, consents and authorizations in respect of any voting security issued by a domestic stock insurance company.

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

Section 1. The act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended by adding after section 309, a new section to read:

Section 309.1. Proxies, Consents and Authorizations in Respect of Any Voting Security Issued by a Domestic Stock Insurance Company.—

(a) The commissioner may, by regulation, prescribe the form, content and manner of solicitation of any proxy, consent or authorization in respect of any voting security issued by a domestic stock insurance company as necessary or appropriate in the public interest or for the proper protection of investors in the voting securities issued by such insurance company, or to insure the fair dealing in such voting securities.

(b) No person or voting security holder and no domestic stock insurance company or any director, officer or employe of such company shall solicit or permit the use of his name to solicit, by mail or otherwise, any person to give any proxy, consent or authorization in respect of any voting security issued by such insurance company in contravention of any rule or regulation the commission may prescribe pursuant to this section.

(c) Any action to enforce compliance with any rule or regulation of the commissioner shall be taken within thirty (30) days after exercise of the proxy, consent or authorization and not thereafter.

(d) None of the provisions of this section shall apply to voting securities of a domestic stock insurance company if such voting securities shall be registered pursuant to section 12 of the Federal Securities Exchange Act of 1934, as amended. The provisions of this section shall also not apply to the voting securities of a domestic stock insurance company which, because of the number of its stockholders or the distribution of its stock ownership, the commissioner, by regulation, deems not necessary or appropriate to regulate in the public interest or for the proper protection of investors in the voting securities issued by such insurance company or to insure the fair dealing in such voting securities.

(e) The term "voting security" as used in this section shall mean any instrument which, in law or by contract, gives the holder the right to vote, consent or authorize any corporate action of a domestic stock insurance company.

Section 2. This act shall take effect immediately.

APPROVED—The 9th day of November, A. D. 1965.

WILLIAM W. SCRANTON