

industrial, vocational agricultural, vocational homemaking, [and] vocational distributive and vocational business and office occupational education; to assist in the establishment of schools and departments for said forms of education, and to inspect and approve such schools or ¹ departments as are hereinafter provided. The State Board for Vocational Education shall make a report annually to the Governor and Legislature describing the condition and progress of vocational industrial, vocational agricultural, vocational homemaking, [and] vocational distributive and vocational business and office occupational education during the year, and shall also make such recommendations as the board may deem advisable.

APPROVED—The 22d day of December, A. D. 1965.

WILLIAM W. SCRANTON

No. 447

AN ACT

HB 887

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," authorizing life insurance companies to allocate on a limited basis amounts to separate accounts in addition to amounts received in connection with pension, retirement or profit sharing plans.

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

Section 1. Subsections (a) and (c) of section 406.2, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," added August 24, 1963 (P. L. 1194), is amended to read:

Section 406.2. Separate Accounts.—(a) Any life insurance company organized under the laws of this Commonwealth may establish one or more separate accounts and (i) may allocate thereto, in accordance with agreements, any amounts which are received by such company in con-

¹ "department" in original.

nection with pension, retirement or profit sharing plans and which are to be applied to purchase or provide retirement or other benefits under any individual group or other policies or contracts of such company; and (ii) in addition to amounts allocated under (i) may allocate to such account or accounts amounts which otherwise would be subject to investment in accordance with sections 404, 405 and 406.1: Provided, That the aggregate amount so allocated shall not exceed five hundred thousand dollars (\$500,000), one per centum (1%) of its admitted assets as of the preceding December 31, or five per centum (5%) of its surplus to policyholders as of the preceding December 31: Provided further, That such company shall be entitled to withdraw at any time in whole or in part, its participation in any separate account to which funds have been allocated as provided in this subsection (ii) and to receive, upon withdrawal, its proportionate share of the value of the assets of the separate account at the time of withdrawal.

* * *

(c) The amounts allocated to such separate accounts and any accumulations thereon may be invested and reinvested in any investments determined by such company in accordance with its agreements notwithstanding any restrictions on the investment of other funds by the company. Sections 404, 405 and 406.1 shall not be applicable to such investments: Provided, That investment of funds in any separate account to which funds of the company have been allocated under subsection (a) (ii) of this section shall be invested in classes of investment stated in sections 404 or 405 except for subsection 405 (g).

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Section 2. This act shall take effect immediately

APPROVED—The 22d day of December, A. D. 1965.

WILLIAM W. SCRANTON