

No. 550

AN ACT

SB 1290

Amending the act of June 24, 1939 (P. L. 872), entitled "An act to consolidate, amend and revise the penal laws of the Commonwealth," by changing the definition of the term "person."

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

Section 1. The definition of "person" in section 103, act of June 24, 1939 (P. L. 872), known as "The Penal Code," is amended to read:

Section 103. Definitions.—In this act and in any indictment for any offense provided against in this act, the following words and terms shall be construed as defined in this section, except where a different intent is plainly declared in the provision to be construed or is plainly apparent from the context thereof.

* * *

"Person," and "whoever," includes an individual, copartnership, association, [and] corporation and political subdivision.

* * *

Section 2. This act shall take effect immediately.

APPROVED—The 25th day of January, A. D. 1966.

WILLIAM W. SCRANTON

No. 551

AN ACT

HB 738

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," changing provisions relating to non-forfeiture benefits and cash surrender values required in life insurance policies.

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

Section 1. Subsection (d) of section 410A, act of May 17, 1921

(P. L. 682), known as "The Insurance Company Law of 1921," amended August 14, 1959 (P. L. 719), is amended to read:

Section 410A. Standard Non-Forfeiture Law.—

* * *

(d) (1) [The] Except as provided in the third paragraph of this subsection, the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charge because of impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) two percent of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (iii) forty percent of the adjusted premium for the first policy year; (iv) twenty-five percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance whichever is less: Provided, however, That in applying the percentages specified in (iii) and (iv) above, no adjusted premium shall be deemed to exceed four percent (4%) of the amount of insurance or [level] uniform amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this subsection shall be deemed to be the [level] uniform amount of insurance provided by an otherwise ¹ similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy: Provided, however, That in the case of a policy providing a varying amount of insurance issued on the life of a child under ten, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age ten were the amount provided by such policy at age ten.

¹ "smiilar" in original.

The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision, shall be equal to; (a) the adjusted premiums for an otherwise similar policy, issued at the same age, without such term insurance benefits increased during the period for which premiums for such term insurance benefits are payable, by; (b) the adjusted premiums for such term insurance the foregoing items (a) and (b) being calculated separately and as specified in the first two paragraphs of this subsection, except that for the purposes of (ii) (iii) and (iv) of the first such paragraph, the amount of insurance or equivalent uniform amount of insurance, used in the calculation of the adjusted premiums referred to in (b) shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a).

Except as otherwise provided in [paragraph (2)] paragraphs (2) and (3) of this subsection, all adjusted premiums and present values referred to in this section shall, for all policies of ordinary insurance, be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table: Provided, That for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured [Such] and such calculations for all policies of industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest not exceeding three and one-half per centum (3-1/2%) per annum, specified on the policy for calculated cash surrender values and paid-up non-forfeiture benefits: Provided, however, That in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than one hundred and thirty per centum (130%) of the rates of mortality according to such applicable table: Provided further, That for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Insurance Commissioner.

(2) In the case of ordinary policies issued on or after the operative

date of this paragraph (2) as defined herein, all adjusted premiums and present values referred to in this section shall be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table and the rate of interest not exceeding three and one-half per centum (3-1/2%) per annum, specified in the policy for calculating cash surrender values and paid-up non-forfeiture benefits: Provided, That for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured: And provided further, That in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table, and that for insurance issued on a substandard basis the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Insurance Commissioner.

After [the effective date of this amending act] August 14, 1959, any company may file with the Insurance Commissioner a written notice of its election to comply with the provisions of this paragraph (2) after a specified date before January 1, 1966. If a company files such notice, then upon such specified date (which shall be the operative date of this paragraph (2) for such company), this paragraph (2) shall become operative with respect to the ordinary policies thereafter issued by such company. If a company makes no such election, the operative date of this paragraph (2) for such company shall be January 1, 1966.

(3) In the case of industrial policies issued on or after the operative date of this paragraph (3) as defined herein, all adjusted premiums and present values referred to in this section, shall be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table and the rate of interest not exceeding three and one-half per centum (3-1/2%) per annum, specified in the policy, for calculating cash surrender values and paid-up non-forfeiture benefits: Provided, That in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a non-forfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1961 Industrial Extended Term Insurance Table and

that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Insurance Commissioner.

After the effective date of this amending act, any company may file with the Insurance Commissioner, a written notice of its election to comply with the provisions of this paragraph (3) after a specified date before January 1, 1970. If a company files such notice, then upon such specified date (which shall be the operative date of this paragraph (3) for such company), this paragraph (3) shall become operative with respect to the industrial policies thereafter issued by such company. If a company makes no such election the operative date of this paragraph (3) for such company shall be January 1, 1970.

* * *

Section 2. Subsection (e) of section 410A of the act, amended July 19, 1951 (P. L. 1100), is amended to read:

Section 410A. Standard Non-Forfeiture Law.—* * *

(e) Any cash surrender value and any paid-up non-forfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the beginning of the policy year in which the default occurs. All values referred to in subsections (b), (c) and (d) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of subsection (b), additional benefits payable (i) in the event of death or dismemberment by accident or accidental means, (ii) in the event of total and permanent disability, (iii) as reversionary annuity or deferred reversionary annuity benefits, (iv) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, (v) as term insurance on the life of a child or on the lives of children, provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is twenty-six, is uniform in amount after the child's

age is one and has not become paid-up by reason of the death of a parent of the child and [(v)] (vi) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and non-forfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up non-forfeiture benefits.

* * *

Section 3. This act shall take effect immediately.

APPROVED—The 25th day of January, A. D. 1966.

WILLIAM W. SCRANTON

No. 552

AN ACT

HB 1020

Amending the act of December 22, 1959 (P. L. 1978), entitled, as amended, "An act providing for and regulating harness racing with pari-mutuel wagering on the results thereof; creating the State Harness Racing Commission as a departmental administrative commission within the Department of Agriculture and defining its powers and duties; providing for the establishment and operation of harness racing plants subject to local option; imposing taxes on revenues of such plants; disposing of all moneys received by the commission and all moneys collected from the taxes; authorizing penalties; and making appropriations," imposing taxes on revenues of such plants for general school purposes in school districts of the first class and for distribution by the Secretary of Commerce for grants for the construction, rehabilitation, alteration, expansion or improvement of water and sewage disposal facilities and access roads to municipalities and municipality authorities.

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

Section 1. Section 15, act of December 22, 1959 (P. L. 1978), entitled, as amended, "An act providing for and regulating harness racing with pari-mutuel wagering on the results thereof; creating the State Harness Racing Commission as a departmental administrative commission within the Department of Agriculture and defining its powers and duties; providing for the establishment and operation of harness racing plants subject to local option; imposing taxes on revenues of such plants; disposing of all moneys received by the commission and all moneys collected from the taxes; authorizing penalties; and making appropriations," amended July 16, 1963 (P. L. 254), is amended to read:

Section 15. Disposition of Pari-mutuel Pools.—Every corporation authorized under this act to conduct pari-mutuel betting at a harness