

is used by a society, for both death and permanent and total disability benefits, the valuation may be of death benefit only and, in such case, a separate accounting shall not be required] *establish and maintain a reserve of one-half of the periodic contribution for such benefits. On and after the first day of January, one thousand nine hundred fifty-two, the minimum basis for contributions and reserves for disability benefits and double indemnity benefits shall be the minimum basis required of legal reserve life insurance companies for such benefits.*

Nothing herein contained shall require a society which has adopted a procedure for strengthening its reserve to modify any existing nonforfeiture benefits which had been previously used.

A report of such valuation, with such explanations as the society may deem advisable, shall be printed and mailed to each beneficial member of the society not later than July first of each year, or, in lieu thereof, may be published in the society's official paper, and the issue containing the same mailed to each beneficial member of the society.

Section 3. The provisions of this act shall become effective immediately upon final enactment.

Act effective
immediately.

APPROVED—The 25th day of May, A. D. 1951.

JOHN S. FINE

No. 94

AN ACT

To amend subsections (d) and (f) of section 211.1, and to further amend section 212 and subsection (a) of section 301 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 789), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations, or exchanges; providing penalties; and repealing existing laws," by further regulating assessments made by the Insurance Commissioner against life insurance companies to defray certain expenses; providing for reciprocity with other states in assessing taxes and fees on insurance companies; permitting foreign companies to write workmen's compensation insurance in Pennsylvania; limiting the basis for valuation of reserve liability of life insurance companies organized in foreign countries.

The Insurance
Department Act
of 1921.

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

Section 1. Subsections (d) and (f) of section 211.1 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 789), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations, or exchanges; providing penalties; and repealing existing laws," as added by the act, approved the twentieth day of May, one thousand nine hundred forty-nine (Pamphlet Laws 1529), is hereby amended to read as follows:

Subsections (d) and (f) of section 211.1, act of May 17, 1921, P. L. 789, as added by act of May 20, 1949, P. L. 1529, amended.

Section 211.1. Assessments to Defray Expenses of Committee on Valuation of Securities of the National Association of Insurance Commissioners.—

* * * * *

(d) If the Insurance Commissioner shall be satisfied as to the reasonableness of such budget estimate, he shall determine the portion of the funds required by such budget estimate, to be assessed as hereinafter provided, by deducting from such budget estimate or from the sum of two hundred fifty thousand dollars, whichever is less, any amounts received or receivable by the committee from other states whose laws do not substantially conform to the method of assessment herein provided, and applying to the remainder the proportion which the total investments in securities of domestic life insurers bear to the total investments in securities of life insurers domiciled in this and other states whose laws authorize and require assessments on substantially the same base as herein provided. The Insurance Commissioner shall thereafter, as soon as convenient, by notice stating the method of computation thereof, assess the amount to be paid on account of such expense pro rata upon all domestic life insurers in the proportion which the total investments in securities of each domestic life insurer shall bear to the total investments in securities of all such insurers: *Provided, That the aggregate amount assessed upon all domestic life insurers pursuant to this section in any one year shall not exceed an amount determined by applying to the "remainder," referred to in the first sentence of this subsection, the proportion which the total investments in securities of domestic life insurers bear to seventy-five per cent of the total investments in securities of all life insurers domiciled in all the*

states of the United States and the District of Columbia. The total investments in securities of any life insurer, for purposes of this section, shall be the total admitted value of stock and bonds reported as such in its annual statement last filed prior to such assessment with the insurance department or with the supervisory official of its state of domicile. Upon receipt of such notice each such insurer shall, within thirty days, pay said assessment to the Insurance Commissioner. The Insurance Commissioner shall deposit all moneys collected by him pursuant to this section in an account entitled "Insurance Commissioner Security Valuation Expense Account," in a bank or trust company in the Commonwealth. Such moneys shall be paid by the Insurance Commissioner to the Committee on Valuation of Securities of the National Association of Insurance Commissioners, after audit by the Auditor General.

* * * * *

(f) This section shall become effective the first day of June, one thousand nine hundred forty-nine, and shall continue in effect until and including the thirty-first day of May, [one thousand nine hundred fifty-one] *one thousand nine hundred fifty-three.*

Section 212, said act, as last amended by act of May 5, 1945, P. L. 430, further amended.

Section 2. Section 212 of said act, last amended by the act, approved the fifth day of May, one thousand nine hundred forty-five (Pamphlet Laws 430), is hereby further amended to read as follows:

Section 212. Effect of Additional Restrictions of Other States.—As used in this section the term—

"Insurance Companies" includes insurance companies, insurance associations and insurance exchanges.

"Agents" includes insurance agents, insurance brokers, public adjusters and public adjusters' solicitors.

"Burdens or Prohibitions" includes taxes, fines, penalties, licenses, fees, rules, regulations, obligations, and prohibitions, including prohibitions against writing particular kinds of insurance by insurance companies [, and including laws, rules or regulations which provide that a particular kind, or kinds of insurance, may be written only by a state, or an agency, or instrumentality thereof].

If any other state imposes any burdens or prohibitions on insurance companies, or agents of this state doing business in such other state, which are in addition to, or in excess of, the burdens or prohibitions imposed by this Commonwealth on insurance companies and agents, like burdens and prohibitions shall be imposed on all insurance companies and agents of such other state doing business in this Commonwealth, so long as the burdens and prohibitions of such other state remain in force. *In applying this section to an insurance company of an-*

other state, such company shall not be required to pay any taxes and fees which are greater in aggregate amount than those which would be imposed by the laws of such other state and any political subdivision thereof upon a like company of this Commonwealth transacting the same volume and kind of business in such other state.

If any other state requires additional or other insurance covering motorists, or motor vehicles that are insured in Pennsylvania insurance companies, or in insurance companies of other states that are licensed to do business in this Commonwealth in order to use the highways of such other state, like, additional or other insurance shall be required to cover all motorists and motor vehicles of such other state using the highways of this Commonwealth so long as the requirement of such other state shall remain in force.

The existence of a monopolistic State Fund for the writing of any class or classes of insurance in another state shall not be construed as a reason to deny to a company, association or exchange of that state a license to transact such classes of insurance in this Commonwealth.

Section 3. Subsection (a) of section 301 of said act, as last amended by the act, approved the first day of May, one thousand nine hundred forty-five (Pamphlet Laws 346), is hereby further amended to read as follows:

Subsection (a) of section 301, said act, as last amended by act of May 1, 1945, P. L. 346, further amended.

Section 301. Computation of Reserve Liability.—(a) The Insurance Commissioner shall each year value, or cause to be valued, the reserve liabilities (hereinafter called reserves or net value), as of the thirty-first day of December of the preceding year, for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurance company doing business in this Commonwealth, *except that in the case of any company organized under the laws of any foreign country, such valuation shall be limited to its United States business* in accordance with the terms of the policy, contract, and rules following, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise.

Section 4. The provisions of this act shall become effective immediately upon final enactment.

Act effective immediately.

APPROVED—The 25th day of May, A. D. 1951.

JOHN S. FINE