

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

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(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-three] *fifty-five*.

APPROVED—The 2nd day of July, A. D. 1953.

JOHN S. FINE

No. 74

AN ACT

To further amend the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 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," by further providing for the types or kinds of insurance business which certain domestic and foreign companies may transact, requiring certain domestic companies to amend their charters before transacting such additional kinds of insurance, fixing the minimum capital and financial requirements necessary to transact such additional kinds of insurance by both domestic and foreign companies and making such requirements additional conditions to licensure of certain foreign companies.

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

Section 1. Section 202 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 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," is hereby amended by adding, at the end thereof, a new subsection to read as follows:

Section 202. Purposes for Which Companies May Be Incorporated; Underwriting Powers.—

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"The Insurance Company Law of 1921."

Section 202, act of May 17, 1921, P. L. 682, amended by adding, at end thereof, a new subsection (g).

(g) *Stock fire, stock marine, stock fire and marine, and stock casualty insurance companies may be incorporated for any or all of the purposes mentioned in subdivisions (b) and (c) of this section.*

Section 206, said act, subsection (e) of which was amended by act of July 1, 1937, P. L. 2527, and act of July 1, 1937, P. L. 2528, further amended.

Section 2. Section 206 of said act, subsection (e) of which was amended by the act, approved the first day of July, one thousand nine hundred thirty-seven (Pamphlet Laws 2527), and the act, approved the first day of July, one thousand nine hundred thirty-seven (Pamphlet Laws 2528), is hereby further amended to read as follows:

Section 206. Minimum Capital and Financial Requirements To Do Business.—(a) *Stock life* insurance companies organized under this act to insure lives and to grant and dispose of annuities must have a *paid up* capital of not less than two hundred thousand dollars (\$200,000). *Stock life* insurance companies, organized under this act, for all of the purposes mentioned in clause (1) subdivision (a) of section two hundred and two (202), must have a *paid up* capital of at least three hundred thousand dollars (\$300,000). Every such company shall, in addition thereto, have a surplus paid in at least equal to fifty per centum of the subscribed capital.

(b) *Stock fire, stock marine, and stock fire and marine* insurance companies, organized under this act, for any of the purposes mentioned in either clauses (1) or (2) of subdivision (b), section two hundred and two (202), of this act, must have a *paid up* capital of not less than one hundred thousand dollars (\$100,000); if organized for all the purposes mentioned in clauses (1) and (2) or in clause (3) of subdivision (b), section two hundred and two (202), of this act, two hundred thousand dollars (\$200,000); and if organized for all of the purposes mentioned in clauses (1), (2), and (3) of subdivision (b) of section two hundred and two (202) of this act, four hundred thousand dollars (\$400,000). Every such company shall, in addition thereto, have a surplus paid in at least equal to fifty per centum (50%) of the subscribed capital.

(c) *Stock casualty* companies, organized under this act for any of the purposes of insurance mentioned in subdivision (c) of section two hundred and two (202) of this act, must have a *paid up* capital of not less than one hundred thousand dollars (\$100,000); except companies organized for the purpose of credit insurance, which must have a *paid up* capital of not less than two hundred thousand dollars (\$200,000); and companies organized to guarantee the fidelity of persons and contracts of suretyship, which must have a *paid up* capital of at least two hundred and fifty thousand dollars (\$250,-

000). Stock casualty companies organized under this act may undertake two or more classes of insurance mentioned in subdivision (c) of section two hundred and two (202) of this act, by providing at least fifty thousand dollars (\$50,000) additional *paid up* capital for each additional class of insurance; except in case credit or fidelity and surety insurance is added to any other line or lines, in which case the additional *paid up* capital for credit insurance shall be one hundred thousand dollars (\$100,000), and the additional *paid up* capital for fidelity and surety insurance shall be two hundred thousand dollars (\$200,000). Any such stock casualty company with a paid up capital of three hundred thousand dollars (\$300,000) may transact all of the classes of insurance mentioned in subdivision (c) of section two hundred and two (202) of this act, except credit, livestock, and fidelity and surety insurance; and a company with a paid up capital of seven hundred and fifty thousand dollars (\$750,000) may transact all of the classes of insurance mentioned. Every such company shall, in addition thereto, have a surplus paid in at least equal to fifty per centum (50%) of the subscribed capital.

(d) Companies organized under this act to insure lives on the mutual plan must have applications for insurance, to the amount of one million dollars (\$1,000,000), by not less than four hundred persons. Companies organized under this act to insure lives on the mutual plan must also have a guarantee capital, before commencing business, of not less than two hundred thousand dollars (\$200,000).

(e) Mutual companies, other than mutual life companies and *other than* title insurance companies, hereafter organized under this act, shall comply with the following conditions:

[(1) Each such company shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least twenty (20) policies to at least twenty (20) members, for the same kind of insurance, upon not less than two hundred (200) separate risks, each within the maximum single risk described herein.

(2) The "maximum single risk" shall not exceed three times the average risk, or one per centum (1%) of the insurance in force, whichever is the greater.

(3) It shall have collected a cash premium upon each application, which premium shall be held in cash or securities in which insurance companies are authorized to invest; and shall be equal, in case of fire insurance, to not less than twice the maximum single risk assumed subject to one fire, nor less than twenty-five thousand dollars (\$25,000); and, in any other kind of insurance, to

not less than five times the maximum single risk assumed nor less than fifty thousand dollars (\$50,000); and, in case of workmen's compensation insurance, to not less than one hundred thousand dollars.]

(1) *Each such company shall hold bona fide applications for at least twenty (20) policies, to be issued promptly and simultaneously to at least twenty (20) policyholders or members upon not less than two hundred (200) separate risks, each within the maximum single risk described herein, upon the granting of the certificate of authority to do business.*

(2) *The "maximum single risk" shall not exceed three times the average risk or one per centum (1%) of the total insurance applied for, whichever is the greater.*

(3) *It shall have collected at least an annual cash premium upon each of such applications, which premium shall be held in cash or securities in which such insurance companies are authorized to invest. In the case of companies organized for any of the purposes mentioned in paragraphs (1) or (2) or (3) of subdivision (b) of section two hundred two of this act, the said cash premiums, together with any sum or sums of money which may be advanced under section eight hundred nine of this act, shall amount to not less than twenty-five thousand dollars (\$25,000) for the purpose mentioned in each numbered paragraph of subdivision (b). If organized for all of the purposes mentioned in paragraphs (1), (2) and (3) of subdivision (b) of section two hundred two of this act, the said cash premiums, together with any sum or sums of money which may be advanced under section eight hundred nine of this act, shall amount to not less than fifty thousand dollars (\$50,000). In the case of companies organized for any one of the purposes mentioned in subdivision (c) of said section two hundred two, except paragraphs (1) and (4), the said cash premiums collected, together with any sum or sums of money advanced under the said section eight hundred nine, shall amount to not less than ten thousand dollars (\$10,000) for the purpose mentioned in each numbered paragraph of said subdivision (c); for the purpose mentioned in either numbered paragraph (1) or (4) of said subdivision (c), such amount shall be not less than twenty-five thousand dollars (\$25,000): Provided, That in no event shall a company be organized for any of the purposes mentioned in said subdivision (c) unless the amount collected as premiums, together with the sum or sums of money advanced under said section eight hundred nine, shall amount to not less than fifty thousand dollars (\$50,000); nor shall a company be organized for all of the purposes mentioned in said subdivision (c) unless the cash premiums so collected*

and the sum or sums of money so advanced shall amount to not less than one hundred sixty thousand dollars (\$160,000).

(4) In the case of companies hereafter organized under this act for the purposes mentioned in subdivisions (b) and (c) of section two hundred two of this act, each such company shall meet the requirements of paragraphs (1) and (2) of subdivision (e) of this section, and the required sum of the cash premiums collected and money advanced under said section eight hundred nine shall not be less than the aggregate of the sums required under paragraph (3) of subdivision (e) of this section for the purposes for which the company is to be incorporated.

[(4)] (5) For the purpose of transacting employer's liability and workmen's compensation insurance, the application shall cover not less than five thousand (5,000) employes, each such employe being considered a separate risk for determining the maximum single risk.

(f) Every stock fire, stock marine, stock fire and marine, or stock casualty company, organized under this act for any or all of the purposes mentioned in both subdivisions (b) and (c) of section two hundred two of this act, must have paid up capital and paid in surplus of not less than the aggregate amount of paid up capital and paid in surplus required for such purpose or purposes of a stock fire, stock marine and stock fire and marine insurance company in subdivision (b) and of a stock casualty insurance company in subdivision (c) of this section.

Section 3. Section 322 of said act, as last amended by the act, approved the nineteenth day of July, one thousand nine hundred fifty-one (Pamphlet Laws 1100), is hereby further amended by adding, at the end thereof, a new paragraph to read as follows:

Section 322. Amendment of Charter.—

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Before any domestic stock fire, stock marine, stock fire and marine, or stock casualty insurance company transacting business under subdivisions (b) or (c) of section two hundred two of this act may procure an amendment to its charter for the transaction of additional kinds or classes of business under subdivisions (b) or (c) or both, said section two hundred two, it must have a paid up capital and a paid in or accumulated surplus in amounts required by subdivisions (b) or (c) or both, section two hundred six of this act, for incorporation for its present and proposed additional purposes.

APPROVED—The 2nd day of July, A. D. 1953.

JOHN S. FINE

Section 322, said act, as last amended by act of July 19, 1951, P. L. 1100, further amended by adding, at end thereof, a new paragraph.