

No. 401

AN ACT

Authorizing the incorporation of limited life insurance companies for the purpose of issuing insurance upon the health of individuals and against personal injury and disablement and death, including endowment insurance; regulating such companies and limiting the amounts for which such companies may issue policies.

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

Section 1. Any ten or more natural persons who are citizens of this Commonwealth, may associate in accordance with the provisions of this act and form a life insurance company of the class known as "limited life insurance companies" for the purpose of making insurance, either upon the stock or mutual principle, upon the health of individuals and against personal injury or disablement and against death resulting from natural or accidental causes, including endowment insurance, in such amounts and upon such conditions as are now or hereafter may be provided by law in the case of limited life insurance companies.

Section 2. (a) Such persons shall make articles of association as provided by law for the incorporation of insurance companies, upon which articles shall be had the same proceedings as provided by law for the incorporation of new insurance companies; and upon the approval of said articles, such corporation shall become a corporation under this act.

(b) As soon as the entire amount of the authorized capital of a stock insurance company incorporated under this act has been paid in, certificates shall be issued therefor to the persons entitled to receive the same, which certificates shall be transferable upon the books of the company, and the president or secretary of the company shall notify the Insurance Commissioner that the entire capital of the company has been paid in and that it is ready to commence business. Upon receipt of such notice the Insurance Commissioner shall, in person or by deputy or examiners, examine the company, and in case he finds that it has complied with the provisions of this act and is possessed of the requisite funds invested as provided by law, he shall issue to said company a certificate showing that it has been organized in accordance with the provisions of this act and that it has the requisite amount of capital for the transaction of business in the Commonwealth, which certificate shall empower the company to issue policies and otherwise transact the business of insurance for which it was incorporated.

Limited life insurance companies.

Authority to form such companies to insure risks of health, personal injury, disability, death and endowment.

Incorporation.

Issuance of certificates to investors and certificate of authority to stock life insurance company.

Issuance of certificate of authority to mutual life insurance company.

(c) In the case of a mutual life insurance company incorporated under this act, upon the receipt of a notice from the president or secretary of such company, the Insurance Commissioner shall make an examination, and if he finds that it has the necessary number and amount of applications for insurance and that the guaranteed capital has been paid in, he shall issue a certificate authorizing the company to commence business.

Duty of Insurance Commissioner.

(d) The Insurance Commissioner may also conduct such examination of any proposed company as may be deemed necessary to determine whether the responsibility, character and general fitness for the business of the incorporators and directors named in the articles are such as to command the confidence of the public and to warrant the belief that the business of the proposed company will be honestly and efficiently conducted in accordance with the intent and purpose of this act.

Authority to do business.

(e) Any corporation formed under this act shall be authorized to transact the business of insurance in the same manner and upon the same conditions as insurance companies are by law authorized to do, in so far as not inconsistent with the provisions of law relating to limited life insurance companies: Provided, however, That each such corporation shall file with the Insurance Commissioner a written notice of its election to comply with the provisions of section 410 (a) (The Standard Non-forfeiture Law) of the Insurance Company Law of 1921.

Reserves.

Section 3. Any corporation formed under the provisions of this act shall place reserves on the life portion contained in all policies issued based upon a standard table of mortality, with interest at a rate of not more than three and one-half per cent as approved by the Insurance Commissioner and reserves shall be carried on the disability feature, of fifty per cent of the actual weekly, monthly or annual premiums in force, and reserves shall be charged on all definite and outstanding incurred claims.

Capital stock.

Section 4. Capital stock of a stock company formed under this act shall not be less than twenty-five thousand dollars (\$25,000), and shall be divided into shares of not less than ten dollars, each payment of which shall be made in lawful money, ten per cent on each share at the time of subscribing, and the balance at such times as the company may direct, not exceeding one year from the time of subscription; and the company may provide such rules with regard to forfeiture of partial payments on subscriptions as they may deem advisable, which rules

shall be binding upon the subscribers, provided they are made known at the time of subscription. Each such company shall, in addition thereto, have a surplus paid in at least equal to the amount of the capital stock.

Section 5. The annual meeting for election of directors of any company formed under this act shall be held at such time, on or before the first day of May, as the by-laws of the company may direct, and such notice of the time and place of meeting shall be given to the stockholders or members as may be provided in the by-laws; and at such annual meeting, the stockholders or members shall elect, by ballot, not less than five nor more than thirteen directors, to serve for one year and until their successors are duly chosen. At any annual meeting of the stockholders or members, it may and shall be lawful to divide the directors which are to be chosen into two, three or four classes, and to elect the first class to serve for the term of one year, and the second, third and fourth to serve two, three and four years, respectively, and at all ensuing elections of said company, the stockholders or members shall only elect the number of directors necessary to take the place of those whose terms of office shall then expire, and such directors shall be elected as hereinbefore provided; and in case a vacancy or vacancies shall happen in the number of said directors, the board of directors shall choose and elect a proper person or proper persons to fill such vacancy or vacancies during the remainder of the term or terms for which the person or persons in whose place or places such vacancy or vacancies shall have happened shall have been elected.

Meetings.

Section 6. Any mutual company formed under this act shall be authorized to do the business of insurance when it shall have applications for insurance against death amounting to not less than two hundred fifty thousand dollars (\$250,000) upon at least two thousand persons: Provided, That no such company shall be authorized to do the business of insurance until it shall have a guaranteed capital of at least fifty thousand dollars (\$50,000) and until it shall have deposited with the Insurance Commissioner the sum of twenty-five thousand dollars (\$25,000) in approved securities, which sum the Insurance Commissioner is hereby authorized and empowered to receive; and it shall be his duty to hold the same for the benefit of the members of such corporation and its creditors, preference being given thereto in the following order, to wit: first, claims under policies; second, salaries of employes; third, general creditors.

Requirement of mutual company.

Proviso.

Effective and
expiration dates.

Section 7. This act shall take effect immediately and shall expire six months after the effective date thereof: Provided, That the expiration of this act shall not affect the corporate existence of any corporation formed under its provisions.

APPROVED—The 15th day of July, A. D. 1957.

GEORGE M. LEADER

No. 402

AN ACT

Authorizing the Department of Property and Supplies, with the approval of the Governor, to acquire certain tracts of land in the Borough of Millersville and in the Township of Manor, Lancaster County, for the use of the Millersville State Teachers College, and making an appropriation.

Real property.

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

Department of
Property and
Supplies, with
approval of
Governor and
trustees, auth-
orized to pur-
chase certain
land in Lan-
caster County to
expand Millers-
ville State
Teachers College.

Section 1. The Department of Property and Supplies, with the approval of the Governor, and the Board of Trustees of the Millersville State Teachers College, is hereby authorized to purchase, in the name of the Commonwealth of Pennsylvania, for use of the Millersville State Teachers College in expanding its facilities for anticipated increase in student enrollment, the following generally described tracts of land, the exact areas of which will be determined by a registered surveyor prior to acquisition.

Description.

Tract No. 1. Beginning at a point in the southwestern corner of Creek Drive near the abandoned railway bed of the Lancaster and York Furnace Electric Railway; thence in a westerly direction by several courses along the old railway bed approximately one thousand one hundred seventy (1170) feet to a point on the easternly property line of North George Street extended; thence in a northerly direction along the line of North George Street extended approximately five hundred twenty (520) feet to a point; thence in an easternly direction approximately two hundred fifty (250) feet to a point on the easternly line of High School Avenue; thence along said line in a northerly direction approximately one hundred fifty (150) feet to the rear property line of a row of lots fronting on East Frederick Street; thence along said line approximately two hundred (200) feet to a corner of a lot; thence in a northerly direction approximately two hundred twenty (220) feet to the southernly line of East Frederick Street; thence in an easternly direction along said line approximately one hundred thirty (130) feet to a point; thence at right angles to East Frederick Street along a lot line approximately