

## AN ACT

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," further regulating proceedings to merge and consolidate mutual insurance companies.

Insurance Com-  
pany Law of  
1921.

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

Section 333, act  
of May 17, 1921,  
P. L. 682,  
amended by sub-  
section (b) and  
adding a new  
subsection (c).

Section 1. Section 333, act of May 17, 1921 (P. L. 682), known as the "Insurance Company Law of 1921," is amended by amending subsection (b) and by adding, at the end thereof, a new subsection to read:

Section 333. Proceedings To Merge and Consolidate.—Such merger or consolidation shall be made under the conditions, provisions, and restrictions, and with the powers herein set forth, to wit:

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(b) Said agreement shall be submitted to the stockholders [or members] of each of said *stock* companies, at separate special meetings or at any annual meetings, of the time, place, and object of which respective meetings due notice shall be given by publication, once a week for three consecutive weeks, in at least two \*newspapers in the county or in each of the counties in which the principal office of the respective companies shall be situate. At said meetings the said agreement of the directors or trustees shall be considered, and a vote of the stockholders [or members], in person or by proxy, shall be taken, by ballot, for the adoption or rejection of the same. If a majority in amount of the entire capital stock [or in interest of the members] of each of said companies shall vote in favor of said agreement, merger, and consolidation, then that fact shall be certified by the secretary of each company, under the corporate seal thereof, and said certificates, together with the said agreement or a copy thereof, shall be filed in the office of the Insurance Commissioner. The Insurance Commissioner shall examine the proceedings, and, if he finds the same to be in accordance with law and not injurious to the interests of the policyholders and creditors, shall endorse his approval thereon, and forthwith present the same to the Governor for his approval. When approved by the Gov-

\* "newspapers" in original.

error, the said agreement shall be deemed and taken to be the act of consolidation of said company.

*(c) Said agreement shall be submitted to the members of each of said mutual companies, at separate special meetings or at any annual meetings, of the time, place, and object of which respective meeting due notice shall be given by publication, once a week for three consecutive weeks, in at least two newspapers in the county or in each of the counties in which the principal office of the respective companies shall situate. Additional thirty days notice of the time, place, and object of such meetings shall be given by first class mail to all members of the respective companies, requesting them to vote on the said agreement, in person or by proxy. Said notice shall be mailed by said companies to the last known address of said members on the records of said companies.*

*At said meetings the said agreement of the directors or trustees shall be considered, and a vote of the members, in person or by proxy, shall be taken, by ballot, for the adoption or rejection of the same. If two-thirds in amount of the members of each of the said companies, who are present at said meetings in person or by proxy, shall vote in favor of said agreement, merger, and consolidation, then that fact shall be certified by the secretary of each company, under the corporate seal thereof, and said certificate, together with the said agreement or a copy thereof, shall be filed in the office of the Insurance Commissioner. The Insurance Commissioner shall examine the proceedings, and, if he finds the same to be in accordance with law and not injurious to the interests of the policyholders and creditors, shall endorse his approval thereon, and forthwith present the same to the Governor for his approval. When approved by the Governor, the said agreement shall be deemed and taken to be the act of consolidation of said company.*

Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 2nd day of September, A. D. 1959.

DAVID L. LAWRENCE

No. 295

AN ACT

Amending the act of August 5, 1941 (P. L. 752), entitled "An act regulating and improving the civil service of certain departments and agencies of the Commonwealth; vesting in the State Civil Service Commission and a Personnel Director certain powers and duties; providing for classification of positions, adoption of compensation schedules and certification of payrolls; imposing duties upon certain officers and employes of the Commonwealth; authorizing service to other State depart-