

Section 3. This act shall take effect immediately.

Act effective  
immediately.

APPROVED—The 13th day of August, A. D. 1963.

WILLIAM W. SCRANTON

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No. 396

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," exempting bid bonds issued in connection with public or private contracts from the counter-signature provisions.

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

The Insurance  
Company Law  
of 1921.

Section 1. Section 501, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended to read:

Section 501 act  
of May 17, 1921,  
P. L. 682,  
amended.

Section 501. Foreign Companies, Associations, and Exchanges To Do Business through Resident Agents.—No stock fire insurance company, association, or exchange, not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written, or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general or floating policy upon property situated or located in this State, except after the said risk has been approved in writing by an agent who is a resident of or whose principal place of business is in this State, regularly licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State. Nothing in this act shall be construed to prevent any such foreign insurance company, association, or exchange, authorized to transact business in this State, from issuing policies at its principal or department offices, covering property in this State, if such policies are issued upon applications procured and submitted to such company, association, or exchange by agents who are residents of this State, and licensed to

transact the business of insurance herein, and who shall receive the commission thereon when paid. No part of this section shall apply to direct insurance covering the rolling stock of railroad corporations, or property in transit while in the possession and custody of railroad corporations or other common carriers nor to the property of such common carriers used or employed by them in their business as common carriers of freight, merchandise, or passengers, *nor in the case of bid bonds issued in connection with public or private contracts.* The provisions of this section, except as to payment of taxes, shall not apply to foreign insurance exchanges, authorized to transact business in this Commonwealth, but maintaining no office in this Commonwealth, and paying no commissions to agents or representatives in this Commonwealth.

Section 610 of act, amended July 19, 1951, P. L. 1100, further amended.

Section 2. Section 610 of the act, amended July 19, 1951 (P. L. 1100), is amended to read:

Section 610. Foreign Companies, Associations, and Exchanges to Do Business through Resident Agents.—Other than companies subject to the provisions of section five hundred and one of this act, no insurance company, association, or exchange, not incorporated or organized under the laws of this Commonwealth, but authorized to transact business herein, shall make, write, place, or cause to be made, written, or placed, any policy or contract of insurance in this Commonwealth except through an agent, whether an individual, copartnership or corporation, who or which is a resident of this Commonwealth, or maintains his, her, or its principal place of business in this Commonwealth, and who or which shall receive a commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance written or placed in this State: Provided, however, That the Insurance Commissioner may, under such regulations and restrictions as may be deemed necessary, issue licenses to nonresident agents who are licensed in the state in which they reside, but such agents shall not countersign any policy or contract of insurance, but all such policies and contracts shall be signed only by resident agents who or which shall receive a commission thereon when the premium is paid: Provided further, That countersignature shall not be required in the case of policies and contracts as defined in clause (1) of subdivision (a) of section two hundred two of this act issued by life insurance companies *nor in the case of bid bonds issued in connection with public or private contracts.*

Section 3. This act shall take effect immediately.

Act effective  
immediately.

APPROVED—The 13th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 397

AN ACT

Amending the act of June 1, 1889 (P. L. 420), entitled "A further supplement to an act entitled 'An act to provide revenue by taxation' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine," creating an exemption for research and development with regard to capital stock tax and franchise tax on domestic and foreign corporations, joint-stock associations, limited partnerships and companies.

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

Taxation.

Section 1. Subsections (a) and (b) of section 21, act of June 1, 1889 (P. L. 420), entitled "A further supplement to an act entitled 'An act to provide revenue by taxation' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine," amended August 23, 1961 (P. L. 1100), are amended to read:

Subsections (a) and (b), section 21, act of June 1, 1889, P. L. 420, amended August 23, 1961, P. L. 1100, further amended.

Section 21. (a) That every domestic corporation other than corporations of the first class, non-profit corporations, and cooperative agricultural associations not having capital stock and not conducted for profit, and every joint-stock association, limited partnership, and company whatsoever, from which a report is required under the twentieth section hereof, shall be subject to, and pay into the treasury of the Commonwealth annually, through the Department of Revenue, a tax at the rate of five mills upon each dollar of the actual value of its whole capital stock of all kinds, including common, special, and preferred, as ascertained in the manner prescribed in said twentieth section: Provided, That the tax of five mills imposed by this subsection on reports filed for the calendar years one thousand nine hundred forty-seven, one thousand nine hundred forty-eight, one thousand nine hundred forty-nine, one thousand nine hundred fifty, one thousand nine hundred fifty-one, one thousand nine hundred fifty-two, one thousand nine hundred fifty-three, one thousand nine hundred fifty-four, one thousand nine hundred fifty-five, one thousand nine hundred fifty-six, and one thousand nine hundred fifty-seven, or for the fiscal years beginning in the calendar years one thousand nine hundred forty-seven, one thousand nine hundred forty-eight, one

Tax of five mills on capital stock of certain domestic corporations, etc.

Proviso.