

No. 196

AN ACT

To repeal the act, approved the seventh day of June, one thousand nine hundred and seven (Pamphlet Laws, four hundred forty-six), entitled "An Act providing for the licensing and regulation of foreign companies, corporations, limited partnerships, joint stock associations, or investment companies, organized under the laws of any other State or Territory, the District of Columbia, or any other country, and the agents thereof, not otherwise licensed by Pennsylvania state enactment, engaged in the negotiation or sale within Pennsylvania of their own bonds, debentures, certificates, mortgages, liens upon property, or other securities, or of those of other similar foreign corporations; describing the duties of the Commissioner of Banking, and providing a penalty for the violation of the provisions hereof," and to provide a method for any company, corporation, association, joint stock or limited partnership association, licensed under said act, to discontinue business within this Commonwealth and withdraw the bonds deposited as required by said act.

Section 1. Be it enacted, &c., That the act approved the seventh day of June, one thousand nine hundred seven (Pamphlet Laws, four hundred forty-six), entitled "An act providing for the licensing and regulation of foreign companies, corporations, limited partnerships, joint stock associations, or investment companies, organized under the laws of any other State or Territory, the District of Columbia, or any other country, and the agents thereof, not otherwise licensed by Pennsylvania state enactment, engaged in the negotiation or sale within Pennsylvania of their own bonds, debentures, certificates, mortgages, liens upon property, or other securities, or of those of other similar foreign corporations; describing the duties of the Commissioner of Banking, and providing a penalty for the violation of the provisions hereof," is hereby repealed.

Section 2. Any company, corporation, association, joint stock or limited partnership association (or a successor thereof) which had been licensed under said act which is hereby repealed shall surrender to the Secretary of Banking the license (and renewals thereof) issued to it, or to its predecessor, and the licenses issued to the agents, solicitors or representatives, and shall discontinue business in this Commonwealth heretofore conducted under said license. If it be shown to the satisfaction of the Secretary of Banking that the bonds, or a part thereof, which are deposited as required by said act which is hereby repealed may be withdrawn without prejudice to the rights of the persons in this Commonwealth who had contracted with or purchased from any such company, corporation, association, joint stock or limited partnership association (or a predecessor thereof) any of the securities of the classes enumerated

Secretary of
Banking.

Licensing and
regulation of cer-
tain foreign com-
panies engaged in
sale of bonds, etc.

Act of June 7,
1907 (P. L. 446),
repealed.

Companies li-
censed under act
to surrender li-
censes and dis-
continue business.

Secretary author-
ized to permit
withdrawal of
bonds deposited.

by the said act which is hereby repealed, the Secretary of Banking is authorized by an order in writing, under the seal of his office, to permit the withdrawal of said bonds or a part thereof.

When effective.

Section 3. This act shall become effective immediately upon its approval by the Governor.

APPROVED—The 12th day of June, A. D. 1931.

GIFFORD PINCHOT

No. 197

AN ACT

Providing for the purchase of reinsurance for the benefit of holders of outstanding policies, issued by any company authorized to insure titles, of which possession may be taken by the Secretary of Banking; and providing further for the use for that purpose of reserve funds accumulated by such companies to protect such policyholders; providing also for the form of such reinsurance and defining the extent of the liability thereunder, and also for suits at law to recover thereon.

Secretary of
Banking.

Title insurance
companies.

Reinsurance under
act of April 26,
1929 (P. L. 834).

Blanket policy for
use of original
policyholders.

Determination of
amount of insur-
ance and outstand-
ing liability.

Section 1. Be it enacted, &c., That whenever the Secretary of Banking shall purchase reinsurance under and by virtue of the authority conferred upon him by section one of the act, approved the twenty-sixth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, eight hundred thirty-four), entitled "An act requiring all title insurance companies to create and maintain a reserve; fixing the amount thereof, and regulating the same," he may fulfill this duty by purchasing from a company, incorporated under the laws of Pennsylvania, with the right to insure titles to real estate to owners, mortgagees and others, and having a title insurance reserve of the maximum amount required by the first section of the act, approved the twenty-sixth day of April, one thousand nine hundred and twenty-nine, above recited, a blanket policy, in the name of the Commonwealth of Pennsylvania, for the use of the original policyholders; in which blanket policy, such title insurance company shall agree that it will, on demand of anyone holding an outstanding policy issued by the original company, fulfill for such demandant the same obligations as were due to the demandant under the original policy; but so far as the amount of recoverable damages is concerned, the same shall be limited in accordance with the formula set forth in section two of this act.

Section 2. Prior to purchasing such reinsurance, the Secretary of Banking shall determine, as best he can according to his judgment, the total amount of insur-