

No. 166

AN ACT

To amend section three hundred sixteen of the act, approved the seventeenth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, six hundred eighty-two), 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 extending the provisions to include officers and employes.

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

Insurance.

Section 316, act
of May 17, 1921,
P. L. 682,
amended.

Section 1. Section three hundred sixteen of the act, approved the seventeenth day of May, one thousand nine hundred and twenty-one (Pamphlet Laws, six hundred eighty-two), 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 to read as follows:

Section 316. Pensions.—[for Employes] Any stock or mutual insurance company may, out of the earnings of said company, grant allowances or pensions to *officers and employes*, for faithful and long continued service, who have in such service become old, infirm, or disabled. The provisions of this section shall not apply to any director [or officer of any such company] *who is not an officer or employe of said company*.

APPROVED—The 21st day of May, A. D. 1943.

EDWARD MARTIN

No. 167

AN ACT

To further amend the act, approved the fifth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, two hundred eighty-nine), entitled "An act relating to nonprofit corporations; defining and providing for the organization, merger, consolidation, and dissolution of such corporations; conferring certain rights, powers, duties, and immunities upon

them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations of the first class within the provisions of this act; prescribing the terms and conditions upon which foreign nonprofit corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations," by authorizing nonprofit medical service corporations to provide medical service benefits to subscribers of over-income, as herein defined.

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

Section 1. Sections four and two hundred and nineteen of the act, approved the fifth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, two hundred eighty-nine), entitled "An act relating to nonprofit corporations; defining and providing for the organization, merger, consolidation, and dissolution of such corporations; conferring certain rights, powers, duties, and immunities upon them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations of the first class within the provisions of this act; prescribing the terms and conditions upon which foreign nonprofit corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations," as last amended by the act, approved the thirty-first day of July, one thousand nine hundred and forty-one (Pamphlet Laws, six hundred thirty-one), is hereby further amended to read as follows:

Section 4. Scope of Act.—This act does not relate to, does not affect, and does not apply to—

- (1) Cooperative associations, whether for profit or not for profit.
- (2) Beneficial, benevolent, fraternal or fraternal benefit societies, having a lodge system and a representative form of government, or transacting any type of insurance whatsoever.
- (3) Any corporation whatsoever organized for any purpose or purposes involving pecuniary profit to its members or shareholders.

Nonprofit corporations.

Sections 4 and 219, act of May 5, 1933, P. L. 289, as last amended by act of July 31, 1941, P. L. 631, further amended.

(4) Any corporation which, by the laws of this Commonwealth is subject to the supervision of the Department of Banking, the Insurance Department, the Pennsylvania Public Utility Commission, or the Water and Power Resources Board: Provided, however, That corporations, subject by law to the limited supervision of the Insurance Department, may be incorporated under, and in accordance with, the provisions of this act, for the purpose of establishing, maintaining and operating a nonprofit hospital plan, whereby hospitalization may be provided to subscribers of such plan by any hospital with which such corporations have a contract for such hospitalization, or for the purpose of establishing, maintaining, and operating a nonprofit medical service plan, whereby medical services may be provided through any doctor of medicine to subscribers of low income and *over-income* and their dependents.

Section 219. Special Procedure for Incorporation of Nonprofit Medical Service Corporations.—

(a) Nine or more natural persons of full age and of either sex, married or single, all of whom are residents of the Commonwealth and citizens of the United States: Provided, however, That a majority of said persons are doctors of medicine, may form a nonprofit corporation, under the provisions of this act, having for its purpose the establishing, maintaining, and operating of a nonprofit medical service plan, whereby medical services may be provided to persons of low income and *persons of over-income* and their dependents, who shall be determined as follows:

Persons of low income shall be—

1. In the case of persons without dependents,

Any person in receipt of an income for the preceding twenty-five weeks averaging not more than thirty dollars weekly;

2. In the case of persons with one dependent,

Any person in receipt of an income that, together with the income of the dependent, averaged, during the preceding twenty-five weeks, not more than forty-five dollars weekly;

3. In the case of persons with more than one dependent;

Any person in receipt of an income that, together with the incomes of all his income earning dependents, averaged, during the preceding twenty-five weeks, not more than sixty dollars weekly.

Persons of over-income shall be—

1. *All persons not persons of low income shall be persons of over-income.*

(b) For the purposes of this act, the terms stated below have the meanings assigned to them respectively unless the context otherwise requires:

“Medical services” means the general and usual services rendered and care administered by doctors of medicine.

“Persons with dependents” means any person who furnishes other persons with their chief support, whether or not such dependent person is related to or living with him.

“Subscribers of low income” means persons of low income who subscribe to a nonprofit medical service corporation plan.

“Subscribers of over-income” means persons of over-income who subscribe to a nonprofit medical service corporation plan.

“Department of Health” means the Department of Health of the Commonwealth.

(c) Whenever the articles of incorporation of any such corporation are filed with the prothonotary, he shall forthwith transmit the articles to the Department of Health. Thereupon the department shall make a thorough investigation of the proposed corporation, the area in, and the plan under which, it proposes to operate, and within thirty days shall certify, upon the articles, whether or not the proposed corporation meets with the approval of the department. If the same shall be approved by the Department of Health, the prothonotary shall forthwith transmit the articles to the Insurance Department. Thereupon the Insurance Department shall make a thorough investigation of the proposed corporation, the area in, and the plan under which, it proposes to operate, and within thirty days shall certify, upon the articles, whether or not the proposed corporation meets with the approval of the department. The court shall not approve such application unless and until the articles are returned by the Insurance Department, and unless both the Department of Health and the Insurance Department shall have endorsed its approval thereon.

(d) The court shall be guided solely by public necessity and public interest and welfare in approving or disapproving the articles of incorporation.

Section 2. The provisions of this act shall become effective immediately upon its final enactment.

Act effective immediately.

APPROVED—The 21st day of May, A. D. 1943.

EDWARD MARTIN