

all other acts and parts of the acts inconsistent herewith are hereby repealed except as to proceedings now pending.

Act effective immediately.

Section 3. The provisions of this act shall become effective immediately upon final enactment.

APPROVED—The 9th day of May, A. D. 1951.

JOHN S. FINE

No. 35

AN ACT

To further amend the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 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," by further regulating investments of insurance companies.

"The Insurance Company Law of 1921."

Section 518, act of May 17, 1921, P. L. 682, as amended by act of May 12, 1925, P. L. 601, further amended.

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

Section 1. Section 518 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 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," as amended by the act, approved the twelfth day of May, one thousand nine hundred twenty-five (Pamphlet Laws 601), is hereby further amended to read as follows:

Section 518. Investment of Surplus.—Any money over and above the capital of any stock fire, stock marine, and stock fire and marine insurance company, may be invested in the securities above enumerated, or in the bonds or notes of any public instrumentality of this Commonwealth, or of any other state, territory or possession of the United States, or of the District of Columbia, or of any foreign country or political subdivision thereof, or in the stock or other evidence of indebtedness of any solvent corporation created under the laws of [this Com-

monwealth or of any other State of the United States or the District of Columbia,] *any of said jurisdictions* or loaned upon the pledge of the same, except its own stock, but [no such investments shall be hereafter made by such company in excess of five per centum of its gross assets. in the stock of another insurance company if the latter has invested in or loaned its funds on the stock of the first investing company] *the total investments hereafter made by such company in stocks of other insurance companies which have invested *in or loaned its funds on the stock of the first investing company shall not exceed five per centum of the gross assets of the first investing company; nor shall the total investments hereafter made by such company in the stocks or other evidence of indebtedness of solvent corporations created under the laws of any foreign country or of any political subdivision thereof exceed ten per centum of the moneys of such company over and above its capital and the reserves which it is required to maintain under the laws of this Commonwealth.* The current market value of such securities shall at the time of any loan thereon be at least twenty per centum (20%) more than the sum loaned thereon. No such insurance company shall invest any of its funds in any unincorporated business or enterprise nor in the stocks or evidence of indebtedness of any corporation, the owners or holders of which stock or evidence of indebtedness may, in any event, be or become liable on account thereof to any assessment, except for taxes; nor shall any of its funds be loaned on personal security. Not more than one-fifth (1/5) of its capital shall be invested in a single mortgage. If any investment or loan is made in a manner not authorized by this act, the officers and directors making or authorizing the same shall be personally liable for any loss occasioned thereby.

Section 2. Section 602 of said act, as last amended by the act, approved the ninth day of May, one thousand nine hundred forty-nine (Pamphlet Laws 986), is hereby further amended by adding thereto, after clause (h), a new clause to read as follows:

Section 602. Investment of Capital.—Every domestic stock casualty insurance company shall invest and keep invested in sound income-bearing securities all its capital and funds of every description, excepting such cash as may be required in the transaction of its business, and such as it may invest in real estate as hereinafter authorized. The capital of every such company shall be invested as follows:

* * * * *

(i) *The Insurance Commissioner may permit any such company to invest sufficient of its reserves in the securi-*

Section 602, said act, as last amended by act of May 9, 1949, P. L. 986, further amended by adding thereto, after clause (h), a new clause (i).

* "in" omitted in original.

ties of a foreign government in order to enable it to comply with the laws of such foreign government and transact business therein.

Section 603, said act, as last amended by act of March 10, 1925, P. L. 30, further amended.

Section 3. Section 603 of said act, as last amended by the act, approved the tenth day of March, one thousand nine hundred twenty-five (Pamphlet Laws 30), is hereby further amended to read as follows:

Section 603. Investment of Surplus; Restrictions.— Any money over and above the capital of any such stock casualty insurance company may be invested in the securities above enumerated, or loaned upon the security of the same; or in *the bonds or notes of any public instrumentality of this Commonwealth, or of any other state, territory or possession of the United States or of the District of Columbia, or of any foreign country or political subdivision thereof, or in the stock or other evidence of indebtedness of any solvent [dividend paying] corporation created under the laws of [this Commonwealth or of any other State of the United States] any of such jurisdictions* or loaned upon the pledge of the same, except its own stock [or the stock of any other insurance company transacting like classes of business]. *The total investments hereafter made by such company in stocks of other insurance companies which have invested in or loaned its funds on the stock of the first investing company shall not exceed five per centum of the gross assets of the first investing company; nor shall the total investments hereafter made by such company in the stocks or other evidence of indebtedness of solvent corporations created under the laws of any foreign country or of any political subdivision thereof exceed ten per centum of the moneys of such company over and above its capital and the reserves which it is required to maintain under the laws of this Commonwealth.* The current market value of such securities at the time of any loan thereon shall be at least fifteen per centum (15%) more than the sum loaned thereon. No such insurance company shall invest any of its funds in any unincorporated business or enterprise; nor in the stock or evidence of indebtedness of any corporation the owners or holders of which stock or evidence of indebtedness may, in any event, be or become liable on account thereof to any assessment, except for taxes; nor shall any of its funds be loaned on personal security. Not more than one-fifth (1/5) of its capital shall be invested in a single mortgage. No such company shall enter into any agreement to withhold from sale any of its property; but the disposition of its property shall be at all times within the control of its board of directors or trustees. If any investment or loan is made in a manner not authorized by this act, the officers and directors making or authorizing the same shall be personally liable for any loss occasioned thereby.

Any such stock casualty insurance company may invest in the capital stock and obligations of a corporation or corporations formed for the purpose of taking and holding title to real estate and erecting or maintaining thereon a building or buildings to be used in whole or in part for the accommodation and transaction of the business of such insurance company without being subject to the limitation hereinbefore prescribed as to investment in the stock of a [dividend paying] *solvent* corporation; but no such insurance company shall invest more than fifty per centum (50%) of its capital and surplus in the stock and other obligations of any such corporation or corporations, nor acquire and hold any of the stock or other obligations of any such corporation or corporations, if the total amount of the capital and other obligations of such corporation or corporations exceeds in the aggregate fifty per centum (50%) of the capital and surplus of such insurance company, without the written approval of the Insurance Commissioner.

Section 4. The provisions of this act shall become effective immediately upon final enactment.

Act effective
immediately.

APPROVED—The 9th day of May, A. D. 1951.

JOHN S. FINE

No. 36

AN ACT

To further amend the act, approved the fifth day of August, one thousand nine hundred forty-one (Pamphlet Laws 803), entitled, as amended, "An act providing for the creation, maintenance and operation of a county employes' retirement system in counties of the fifth, sixth, seventh and eighth class; imposing certain charges on counties, and prescribing penalties," by further defining county employe; substituting the chief clerk for the auditor as a member of and secretary to the board in certain cases; and extending the period in which a certain option may be exercised.

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

Section 1. The definition of "County Employe" in section 1, and sections 2, 3 and 12 of the act, approved the fifth day of August, one thousand nine hundred forty-one (Pamphlet Laws 803), entitled, as amended, "An act providing for the creation, maintenance and operation of a county employes' retirement system in counties of the fifth, sixth, seventh and eighth class; imposing certain charges on counties, and prescribing penalties," as last reenacted and amended by the act, ap-

Employes' retirement system: counties of the 5th, 6th, 7th and 8th class.

Definition of "County Employe" in section 1, and sections 2, 3 and 12, act of August 5, 1941, P. L. 803, as last reenacted and amended by act of May 2, 1949, P. L. 821, further amended.