

The bearings refer to the true meridian.

Section 2. The deed conveyance herein authorized shall be approved by the Department of Justice and shall be executed by the Secretary of Property and Supplies in the name of the Commonwealth.

Deed to be approved by Department of Justice.

Section 3. The moneys received as the purchase price shall be paid into the General Fund of the State Treasury.

Disposition of proceeds of purchase moneys.

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

Act effective immediately.

APPROVED—The 28th day of June, A. D. 1951.

JOHN S. FINE.

No. 184

AN ACT

Authorizing certain existing beneficial or protective societies, heretofore incorporated, to reincorporate, or to merge and reincorporate, as limited life insurance companies, for the purpose of making insurance upon the health of individuals and against personal injury and disablement and death, including endowment insurance; regulating such corporations, and limiting the amounts for which such corporations may issue policies.

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

Insurance.

Section 1. Any corporation or any two corporations now formed or organized under the provisions of the ninth paragraph of section two of the act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws 73), entitled "An act to provide for the incorporation and regulation of certain corporations," namely "The maintenance of a society for beneficial or protective purposes to its members from funds collected therein," except fraternal, benevolent, charitable or secret societies issuing beneficial certificates and paying benefits to their membership through the lodge system, and insurance or relief associations formed by or for the exclusive benefit of employes of corporations or firms or formed by or for the exclusive benefit of members of any religious corporation or association, may be reincorporated, or merged and reincorporated, as the case may be, as a life insurance company of the class known as limited life insurance companies, for the purpose of making insurance, either upon the stock or mutual principle, upon the health of individuals and against personal injury or disablement and against death resulting from natural or accidental causes, including endowment insurance, in such amounts and upon such conditions as is now or

Certain incorporated societies authorized to reincorporate, or merge and reincorporate, as limited life insurance companies, for certain specified purposes.

Proviso.

hereafter may be provided by law in the case of limited life insurance companies: Provided, however, That any such corporation or any two such corporations may not reincorporate, or merge and reincorporate, as a limited life insurance company under this act, unless such corporation or corporations are operating in compliance with the requirements of the act, approved the fourth day of June, one thousand nine hundred thirty-seven (Pamphlet Laws 1643), entitled "An act relating to certain existing beneficial societies; conferring certain rights, powers and duties upon them, their officers and members; authorizing the payment of benefits by them in the event of sickness, accident, disability or death; regulating such societies and corporations; and limiting the amount for which they may issue membership certificates or policies; providing for reserves; imposing penalties; and repealing certain existing laws and parts of law."

Procedure to reincorporate, or merge and reincorporate.

Section 2. Any such corporation or any two such corporations desiring to reincorporate, or to merge and reincorporate, as the case may be, under the provisions of this act, shall proceed in the following manner. A meeting of the members of such corporation or of each such corporation shall be held and if a majority of the members of such corporation or corporations shall vote or authorize a vote in favor of the reincorporation or merger and reincorporation, a resolution or resolutions to that effect shall be adopted, and upon the recording of such resolution or resolutions in the office for the recording of deeds in the county where such corporation or each such corporation has its principal office, the directors of such corporation or the respective directors of two such corporations acting jointly, as the case may be, may make articles of association as provided by law for the incorporation of insurance companies, upon which articles shall be had the same proceedings as provided by law for the incorporation of new insurance companies; and upon the approval of said articles, such corporation or corporations shall become a corporation under this act, and all the estate and property, real and personal, rights of action, liabilities and obligations of such former corporation or corporations shall be deemed and taken to be transferred to and vested in or attached to the corporation formed under this act without further act or deed.

As soon as the entire amount of the authorized capital of a stock insurance company incorporated under this act has been paid in, certificates shall be issued therefor to the persons entitled to receive the same, which certificates shall be transferable upon the books of the

company, and the president or secretary of the company shall notify the Insurance Commissioner that the entire capital of the company has been paid in and that it is ready to commence business. Upon receipt of such notice the Insurance Commissioner shall, in person or by deputy or examiners, examine the company, and in case he finds that it has complied with the provisions of this act and is possessed of funds equal to the amount of its capital, he shall issue to said company a certificate showing that it has been organized in accordance with the provisions of this act and that it has the requisite amount of capital for the transaction of business in the Commonwealth, which certificate shall empower the company to issue policies and otherwise transact the business of insurance for which it was incorporated.

In the case of a mutual life insurance company incorporated under this act, upon the receipt of a notice from the president or secretary of such company, the Insurance Commissioner shall make an examination, and if he finds that it has the necessary amount of insurance in force and that the *guaranteed capital has been paid in, he shall issue a certificate authorizing the company to commence business.

The Insurance Commissioner may also conduct such examination of any proposed company as may be deemed necessary, to determine whether the responsibility, character and general fitness for the business of the incorporators and directors named in the articles are such as to command the confidence of the public and to warrant the belief that the business of the proposed company will be honestly and efficiently conducted in accordance with the intent and purpose of this act.

Until such time as the Insurance Commissioner shall issue a certificate authorizing companies to commence business under this act, said companies shall have the same powers to transact the business of insurance as were possessed by said companies prior to their reincorporation under this act.

Any corporation formed under this act shall be authorized to transact the business of insurance in the same manner and upon the same conditions as insurance companies are by law authorized to do, in so far as not inconsistent with the provisions of law relating to limited life insurance companies.

Section 3. Any corporation formed under the provisions of this act shall place reserves on the life portion contained in all policies issued based upon a standard table of mortality, with interest at a rate of not more than three and one-half per cent ($3\frac{1}{2}\%$), as approved by the Insurance Department of the Commonwealth, and

Reserves to be carried by such corporations.

* "guarantee" in original.

reserves shall be carried on the disability feature, of fifty per centum of the actual weekly, monthly or annual premiums in force, and reserves shall be charged on all definite and outstanding incurred claims.

Required capital stock.

Section 4. Capital stock of a stock company formed under this act shall not be less than twenty-five thousand dollars, and shall be divided into shares of not less than ten dollars each, payment of which shall be made in lawful money, ten per centum on each share at the time of subscribing, and the balance at such times as the company may direct, not exceeding one year from the time of subscription; and the company may provide such rules with regard to forfeiture of partial payments on subscriptions as they may deem advisable, which rules shall be binding upon the subscribers, provided they are made known at the time of subscription. Each such company shall, in addition thereto, have a surplus paid in at least equal to the amount of the capital stock.

Annual meeting; election of directors; filling vacancies.

Section 5. The annual meeting for election of directors of any company formed under this act shall be held at such time, on or before the first day of May, as the by-laws of the company may direct, and such notice of the time and place of meeting shall be given to the stockholders or members as may be provided in the by-laws; and at such annual meeting, the stockholders or members shall elect, by ballot, not less than five nor more than thirteen directors, to serve for one year and until their successors are duly chosen: Provided, That at any annual meeting of the stockholders or members, it may and shall be lawful to divide the directors which are to be chosen into two, three or four classes, and to elect the first class to serve for the term of one year, and the second, third and fourth to serve two, three and four years, respectively, and at all ensuing elections of said company, the stockholders or members shall only elect the number of directors necessary to take the place of those whose terms of office shall then expire, and such directors shall be elected as hereinbefore provided; and in case a vacancy or vacancies shall happen in the number of said directors, the board of directors shall choose and elect a proper person or proper persons to fill such vacancy or vacancies during the remainder of the term or terms for which the person or persons in whose place or places such vacancy or vacancies shall have happened shall have been elected.

Proviso.

Amount of insurance in force against death required before doing business under this act.

Proviso.

Section 6. Any mutual company formed under this act shall be authorized to do the business of insurance when it shall have insurance in force against death amounting to not less than two hundred fifty thousand dollars upon at least two thousand persons: Provided, That no such company shall be authorized to do the

business of insurance until it shall have a *guaranteed capital of a least twenty-five thousand dollars and a surplus of a least twenty-five thousand dollars and until it shall have deposited with the Insurance Commissioner the sum of twenty-five thousand dollars in cash or approved securities, which sum the Insurance Commissioner is hereby authorized and empowered to receive; and it shall be his duty to hold the same for the benefit of the members of such corporation and its creditors, preference being given thereto in the following order, to wit: first, claims under policies; second, salaries of employes; third, general creditors.

Section 7. The provisions of this act shall become effective immediately upon final enactment. Act effective immediately.

APPROVED—The 28th day of June, A. D. 1951.

JOHN S. FINE

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No. 185

AN ACT

To amend subsection (h) of section 2 of the act, approved the eighteenth day of May, one thousand nine hundred thirty-seven (Pamphlet Laws 654), entitled "An act to provide for the safety and to protect the health and morals of persons while employed; prescribing certain regulations and restrictions concerning places where persons are employed, and the equipment, apparatus, devices and machinery used therein; prescribing certain powers and duties of the Department of Labor and Industry relative to the enforcement of this act; and fixing penalties," by providing further health and safety requirements.

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

Public health and safety.

Section 1. Subsection (h) of section 2 of the act, approved the eighteenth day of May, one thousand nine hundred thirty-seven (Pamphlet Laws 654), entitled "An act to provide for the safety and to protect the health and morals of persons while employed; prescribing certain regulations and restrictions concerning places where persons are employed, and the equipment, apparatus, devices and machinery used therein; prescribing certain powers and duties of the Department of Labor and Industry relative to the enforcement of this act; and fixing penalties," is hereby amended to read as follows:

Subsection (h) of section 2, act of May 18, 1937, P. L. 654, amended.

Section 2. General Safety and Health Requirements.—

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(h) When employes, due to the nature of employment, are subject to injury from flying particles, falling objects,

* "guarantee" in original.