

No. 75

AN ACT

To amend sections two hundred three and three hundred eight 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," by changing certain qualifications of incorporators, directors and trustees.

"The Insurance
Company Law
of 1921."

Sections 203 and
308, act of
May 17, 1921,
P. L. 682,
amended.

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

Section 1. Sections two hundred three and three hundred eight 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," are hereby amended to read as follows:

Section 203. Articles of Agreement.—Any ten or more natural persons, [citizens of this Commonwealth] *of full age and either sex, married or single, at least two-thirds of whom are citizens of the United States or its territories or possessions*, may associate in accordance with the provisions of this act, and form an incorporated company of any of the classes enumerated in section two hundred and one (201) of this article. Such persons shall associate by articles of agreement in writing, which agreement shall specify:

- (a) The name by which the company shall be known.
- (b) The class of insurance for the transaction of which it is constituted.
- (c) The plan or principle upon which the business is to be conducted.
- (d) The place in which it is to be established or located.
- (e) In the case of a stock company, the amount of its capital.

- (f) The general objects of the company.
- (g) The proposed duration of the company.
- (h) The powers it proposes to have and exercise.

Section 308. Election of Directors and Trustees; Terms; Vacancies.—At the annual meeting, the stockholders or members shall elect by ballot, from their own number, not less than seven directors or trustees, [a majority of whom shall be residents of this Commonwealth, to] *who shall be natural persons of full age, and who need not be residents of this Commonwealth unless the articles or by-laws so require: Provided, however, That at least two-thirds of the said directors or trustees shall be citizens of the United States or its territories or possessions. Such persons shall serve for one year and until their successors are duly chosen and qualified.*

Any insurance company may provide in its by-laws for the division of its board of directors or trustees into two, three, or four classes, and may provide for the election thereof at its annual meetings in such manner that the members of one class only shall retire, and their successors be chosen, each year. Vacancies may be filled by an election by the board of directors or trustees for the unexpired term.

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

Act effective immediately.

APPROVED—The 2nd day of July, A. D. 1953.

JOHN S. FINE

No. 76

AN ACT

To amend section 308 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," by enumerating certain types of vacancies occurring in the board of directors of insurance companies and providing for filling thereof.

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

Section 1. Section 308 of the act, approved the seventeenth day of May, one thousand nine hundred twenty-one (Pamphlet Laws 682), entitled "An act

"The Insurance Company Law of 1921."

Section 308, act of May 17, 1921, P. L. 682, amended.

* "be" deleted from original.