

the age of twenty-one years. Any ordinance of council fixing the rate of taxation for any year at a mill rate shall also include a statement expressing the rate of taxation in dollars and cents on each one hundred dollars of assessed valuation of taxable property.

4. The council of any city may, by ordinance, in any year levy separate and different rates of taxation for city purposes on all real estate classified as land, exclusive of the buildings thereon, and on all real estate classified as buildings on land. When real estate tax rates are so levied, [they shall be uniform as to all real estate within each such classification; and such] (i) *the rates shall be determined by the requirements of the city budget as approved by council, (ii) higher rates may be levied on land if the respective rates on lands and buildings are so fixed so as not to constitute a greater levy in the aggregate than a rate of fifteen mills on both land and buildings, and (iii) they shall be uniform as to all real estate within each such classification.*

5. *Where the city council by a majority action shall, upon due cause shown, petition the court of quarter sessions for the right to levy additional millage, the court, after such public notice as it may direct and after hearing, may order a greater rate than fifteen mills but not exceeding five additional mills to be levied.*

APPROVED—The 19th day of November, A. D. 1959.

DAVID L. LAWRENCE

No. 535

AN ACT

Amending the act of May 17, 1921 (P. L. 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," further regulating increase of capital stock by stock insurance companies.

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

Section 1. Section 326, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," amended May 9, 1949 (P. L. 950) and May 11, 1949 (P. L. 1219), is amended to read:

Section 326. Sale of Increases of Capital Stock; Issuance to Officers or Employees.—Any increase of capital

The Insurance
Company Law
of 1921.

Section 326, act
of May 17, 1921,
P. L. 682,
amended May 9,
1949, P. L. 950
and May 11,
1949, P. L. 1219,
further amended.

made by any stock insurance company may be issued at such price in excess of par as the stockholders may direct, [Each] or as the board of directors may direct under authority conferred by the stockholders. Unless otherwise provided in the charter or articles of agreement, each stockholder shall have the right to first subscribe for the new shares in proportion to his interest in the company: Provided, That in any case no stockholder shall have such right to first subscribe for new shares if the stockholders holding the larger amount in value of the stock of the company direct, subject to such equitable regulations as the directors may prescribe, that such new shares shall be issued in exchange for one or more bona fide outstanding shares of another insurance company in which the issuing company is authorized to invest, or partly in such exchange and partly for cash where necessary to eliminate fractional shares, and such exchange shall be approved by the Insurance Commissioner, as hereinafter provided.

The Insurance Commissioner shall examine the terms and conditions of such exchange and after holding a hearing at which all persons or parties to whom it is proposed to issue shares in such exchange shall have the right to appear, shall either approve or disapprove the fairness of such terms and conditions.

Except when such an exchange is to be effected, notice to the stockholders to exercise their rights to subscribe for and to take the stock at the price so fixed or waive such right, shall be mailed to each stockholder, at the last address of such stockholder appearing on the books or records of the company, thirty days previous to the date fixed by the board of directors for the expiration of the right to subscribe, and shall also be given by publication, once a week for three (3) weeks in a newspaper of general circulation published in the city or county in which the company has its principal office.

Any stock not subscribed for and taken by the stockholders may be sold and disposed of by the board of directors, in such manner as the stockholders may direct, but no such stock shall be sold or disposed of at a price less than that originally fixed by the stockholders.

Anything in this section to the contrary notwithstanding, any stock insurance company may issue to its officers or employes or to the officers or employes of any subsidiary corporation or to a trustee on their behalf, such number of its authorized but unissued shares as shall be prescribed by the stockholders having the majority interest. Such shares shall be issued at such times and upon such terms and conditions and in such manner as shall be determined by the board of directors.

Any such stock authorized to be issued to officers or employes and not taken by those entitled thereto may be sold and disposed of in such manner as the board of directors may determine.

APPROVED—The 19th day of November, A. D. 1959.

DAVID L. LAWRENCE

No. 536

AN ACT

Amending the act of May 17, 1921 (P. L. 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," providing that domestic stock life insurance companies may purchase shares of stock of other insurance companies transacting like classes of business and temporarily hold the same solely for the purpose of acquiring the business and assets of such other company.

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

Section 1. Clause (e) of section 406.1, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," added May 9, 1947 (P. L. 201), is amended to read:

Section 406.1. General Investment Provisions and Restrictions.—Investment under authority of section four hundred four, or four hundred five and holding of real estate under authority of section four hundred six by any life insurance company, organized under the laws of this Commonwealth, shall be subject to the following provisions:

* * * * *

(e) [No] *Except as hereinafter provided in this subsection (e), no investment shall be made in the stock or shares of such company or any other insurance company transacting like classes of business, or of any corporation, the owners of whose stock or shares, may, on account of ownership thereof, become liable to any assessment other than for taxes or salaries or wages for services rendered to the corporation. Subject to the conditions hereinafter stated, such company may acquire and temporarily hold a majority of the issued and outstanding voting stock of any other insurance company trans-*

* "hereinafter" in original.

The Insurance Company Law of 1921.

Clause (e), section 406.1 act of May 17, 1921, P. L. 682, added May 9, 1947, P. L. 201, further amended.