

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.

acting like classes of business permitted under the laws of Pennsylvania, but solely for the purpose and as a means of directly acquiring the business or the business, and such assets of such other insurance company as are authorized under the laws of Pennsylvania and such acquisition for a temporary period shall not be deemed to be an investment in stock for purposes of any other subsections of this section 406.1. Contemporaneously with such acquisition, such company shall file with the Insurance Commissioner written notice thereof, making reference to this subsection (e), and thereafter shall proceed promptly and continue with diligence to cause such other insurance company to be completely liquidated and dissolved in the case of a foreign company, or merged into or completely liquidated and dissolved or consolidated with such company in the case of a domestic company, in the manner permitted by law. All of such stock shall be disposed of within eighteen months after the date of acquisition, unless such period is extended for a period of one year and from year to year by the Insurance Commissioner on evidence satisfactory to him that the liquidation and dissolution or merger or consolidation could not be consummated within such period notwithstanding diligent efforts on the part of such company to do so: And provided further, That such company shall proceed promptly to sell or otherwise dispose of such stock upon written notice from the Insurance Commissioner at any time, based on evidence satisfactory to him that such acquisition or the holding of the said stock for any period was or is not bona fide solely for the purpose and as a means of directly acquiring the business or the business and assets of such other company.

* * * * *

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

DAVID L. LAWRENCE

No. 537

AN ACT

Amending the act of May 13, 1927 (P. L. 1011), entitled "A supplement to an act, entitled 'An act for the government of cities of the second class,' approved the seventh day of March, Anno Domini one thousand nine hundred and one, creating a department of city planning; providing for its organization and powers; regulating the platting of ground; prohibiting the recording of plans and sales of lots therein before their approval, under penalties; making it a misdemeanor for the recorder of deeds to record an unapproved plan; restricting, accepting, laying out, opening and improving private streets; prohibiting the erection of buildings on land not abutting on public streets