

member under eighteen (18) years of age shall thereafter receive payments equal to twenty-five per centum (25%) of the payments above provided for the widow, but in no case shall total payments to one family be more than two hundred fifty dollars (\$250). Where there is only one child, the minimum monthly payments shall be sixty dollars (\$60). Where the maximum amount is payable it shall be divided equally among the children entitled thereto. The payments for each child shall terminate upon his reaching the age of eighteen (18) years, or his marriage or death. The payments shall consist of any payments received under "The Pennsylvania Workmen's Compensation Act" or "The Pennsylvania Occupational Disease Act," supplemented by the necessary amount from the pension fund.

Payments to the widows and children of members killed while on duty shall be made on and after July 1, 1959.

APPROVED—The 18th day of December, A. D. 1959.

DAVID L. LAWRENCE

No. 706

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," increasing the permissible ratio of loan to value of the security for real estate and leasehold loans.

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

Section 1. Clause (g) of section 404, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended by adding, at the end thereof, a new subclause to read:

Section 404. Investment of Capital and Reserves.—Subject to the provisions of section four hundred six, point one, the capital and not less than three-fourths (3/4) of the reserves of any life insurance company, organized under the laws of this Commonwealth, shall be invested in the following classes of investment:

* * * * *

(g) Real Estate Loans. Ground rents and bonds, notes or other evidences of indebtedness, secured by mortgages

The Insurance Company Law of 1921.

Clause (g), section 404, act of May 17, 1921, P. L. 682, amended by adding a new subclause (g).

or trust deeds upon unencumbered real property located in any state, district or territory of the United States, and in investments in the equity of the seller under contracts for deeds covering the entire balance due on bona fide sales of such real property: Provided, That a loan guaranteed or insured in full by the Administrator of Veterans' Affairs pursuant to the provisions of the Federal Servicemen's Readjustment Act of 1944, as heretofore or hereafter amended, may be subject to a prior encumbrance. Real property shall not be considered to be encumbered within the meaning of this section by reason of the existence of instruments reserving mineral, oil, water or timber rights, rights of way, sewer rights, rights in walls or driveways, by reason of liens inferior to the lien securing the loan of the insurance company, or liens for taxes or assessments not yet delinquent, or by reason of building restrictions or other restrictive covenants, or by reason of any lease under which rents or profits are reserved to the owner if, in any event, the security for such loan is a first lien upon such real property, and if there is no condition or right of re-entry or forfeiture under which such lien can be cut off, subordinated or otherwise disturbed. No mortgage or trust deed, loan or investment in a seller's equity under a contract for deed made or acquired by the insurance company on any one property shall at the date of investment exceed two-thirds ($2/3$) of the value of the real property securing the loan, or subject to such contract: Provided, That such limitation in respect to value shall not apply to a loan which is—

* * * * *

(5) Upon such terms that the principal thereof will be amortized by repayments of principal at least once in each year in amounts sufficient to repay the loan within a period of not more than thirty years, and such loan is upon improved real estate, and at the date of investment does not exceed three-fourths ($3/4$) of the value of the real estate securing the loan.

* * * * *

Section 2. Clause (1) of section 404 of the act, added May 9, 1947 (P. L. 201), is amended to read:

Clause (1),
section 404 of
the act, added
May 9, 1947,
P. L. 201,
amended.

Section 404. Investment of Capital and Reserves.—Subject to the provisions of section four hundred six, point one, the capital and not less than three-fourths ($3/4$) of the reserves of any life insurance company, organized under the laws of this Commonwealth, shall be invested in the following classes of investment:

* * * * *

(1) Loans Upon Leaseholds. Loans upon leasehold estates on unencumbered real estate located in any state,

district or territory of the United States: Provided, That no such loan shall exceed two-thirds ($2/3$) of the value of the leasehold at the date of investment, unless

(1) Such loan is guaranteed or insured by, or for which a commitment to guarantee or insure such loan has been made by, the Federal Housing Administrator or Commissioner, pursuant to the provisions of the Federal National Housing Act, as heretofore or hereafter amended:

(2) *Such leasehold is of improved real estate and such loan provides for amortization by repayments of principal at least once in each year in amounts sufficient to repay the loan within a period of four-fifths ($4/5$) of the unexpired term of the leasehold, but within a period of not more than thirty years, and does not exceed three-fourths ($3/4$) of the value of the leasehold at the date of investment.*

(3) *Such real estate is under lease to a corporation or business trust, incorporated or existing under the laws of the United States or any state, district or territory thereof, whose income is available for fixed charges for the period of five fiscal years next preceding the date of investment shall have averaged not less than one and one-half ($1\frac{1}{2}$) times its average annual fixed charges applicable to such period, if there is pledged and assigned as additional security for the loan and for application thereon sufficient of the rentals payable under such lease to provide for repayment of the loan within the unexpired term of the lease:*

Provided, further, That the terms of any such loan shall require repayments of principal at least once in each year in amounts sufficient to repay the loan within the term of the leasehold, unexpired at the date of investment, unless a shorter period is required under subparagraph (2).

* * * * *

Section 3. This act shall take effect immediately.

APPROVED—The 18th day of December, A. D. 1959.

DAVID L. LAWRENCE

Act effective immediately.

No. 707

AN ACT

Amending the act of March 10, 1949 (P. L. 30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," further providing for the operation of classes or schools for institutionalized children in counties of the second class the cost thereof to be paid by the Commonwealth.