

nonoverlapping periods of twelve (12) consecutive months of contributory service.

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APPROVED—The 14th day of July, A. D. 1961.

DAVID L. LAWRENCE

No. 337

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 for the merger or consolidation of domestic and foreign life insurance companies.

The Insurance
Company Law
of 1921.

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

Section 337, act
of May 17, 1921,
P. L. 682, added
June 23, 1931,
P. L. 915,
amended.

Section 1. Section 337, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," added June 23, 1931 (P. L. 915), is amended to read:

Section 337. Merger of Domestic and Foreign *Life* Fire and Marine Insurance Companies and/or Casualty and/or Surety Companies.—Any *life*, fire or marine insurance company, or casualty, or surety company, or companies organized under the laws of this Commonwealth and authorized to do the business specified in this act, are hereby authorized to merge or consolidate, in the manner herein provided, with a company or companies organized under the laws of another state or states, or territory or territories, of the United States [duly admitted to this State and authorized to transact therein the business above specified], if such merger or consolidation is authorized by the laws, or approved by the insurance supervising officials, of the state or states, or territory or territories, in which such foreign company or companies are incorporated. Such domestic company or companies shall comply with all the requirements as to the terms and conditions of the merger or consolidation agreement and the steps to be taken and acts to be performed for the adoption, execution and approval of the merger of two or more domestic companies. Such

foreign company or companies shall comply with all of the requirements of the laws, or of the supervising insurance officials, of the state or states, or territory or territories, under which it is or they are incorporated regulating the terms and conditions of such merger or consolidation agreement and the steps to be taken and acts to be performed for the execution, adoption and approval thereof, which agreement must first be approved by the Insurance Commissioner of this Commonwealth. The domicile of the *surviving or new* company formed by or resulting from such merger or consolidation shall be located in this Commonwealth, unless the Insurance Commissioner of this Commonwealth shall consent, in writing endorsed on the merger or consolidation agreement, that such merged or consolidated company may be domiciled in some other state or territory of the United States. No such merged or consolidated company, domiciling in another state or territory, shall have any authority to transact business within this Commonwealth, unless such company shall otherwise comply with the law of the Commonwealth as respects its admission to transact business herein, *and in any case such merged or consolidated company shall, in writing, designate the Insurance Commissioner and his successor in office as the true and lawful attorney of such corporation, on whom may be served all lawful process in any action or proceeding against it, for enforcement against it of any obligation of any corporation participating in such merger or consolidation, or any obligation arising from the merger *or consolidation proceedings, or any action or proceeding to determine and enforce the rights of any stockholder or member under the provisions of section 336 of this act, and an agreement that service or process on the Insurance Commissioner shall be of the same legal force and validity as if served upon such corporation and that the authority for such service of process shall continue in force as long as any of the aforesaid obligations and rights remain outstanding in this Commonwealth.*

Upon filing such agreement, with such certificate of the secretaries and approval of the Insurance Commissioner endorsed thereon, in the office of the Insurance Commissioner and a duplicate, or certified copy thereof, in the office of the recorder of deeds of the county where

* "of" in original.

the office of any domestic merged or consolidated company is located, the details of such agreement may be carried into effect as provided therein. [The] *If the merger or consolidation involves a stock company, the surviving or new company* so formed by or resulting from such merger or consolidation agreement may require the return of the original certificates of stock held by each stockholder in each of the companies to be merged or consolidated, and issue, in lieu thereof, new certificates for such number of shares of its own stock as such stockholders may be entitled to receive. Upon such merger or consolidation, all the rights, franchises and interests of the companies so merging or consolidating in and to every species of property and things in action belonging to them, or either of them, shall be deemed to be transferred to and vested in the *surviving or new company*, without any other deed or transfer, and the *surviving or new company* shall hold and enjoy the same to the same extent as if the old companies, or either of them, should have continued to retain their titles. The *surviving or new company* shall succeed to all the obligations and liabilities of the old companies, or any of them, and shall be held liable to pay and discharge all such debts and liabilities in the same manner as if they had been incurred or contracted by it. The stockholders *or members* of the old companies shall continue, subject to all the liabilities, claims and demands existing against them, or either of them, at or before such merger or consolidation. No action or proceeding pending at the time of *merger or consolidation*, in which any or all of the old companies may be a party, shall abate or discontinue by reason of the merger or consolidation, but the same may be prosecuted to final judgment in the same manner as if the merger or consolidation had not taken place, or the *surviving or new company* may be substituted in place of any company so merged or consolidated by order of the court in which the action or proceeding may be pending. So far as they may be applicable, the provisions of this section shall apply to all companies heretofore merged or consolidated.

APPROVED—The 14th day of July A. D. 1961.

DAVID L. LAWRENCE