

No. 96

AN ACT

SB 1330

Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties, and repealing existing laws," further providing for examination of insurance companies.

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

Section 1. Section 213, act of May 17, 1921 (P.L.789, No.285), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," amended July 20, 1968 (P.L.438, No.205), is amended to read:

Section 213. Examination of Companies, Et Cetera.—The Insurance Commissioner shall require every domestic insurance company, association, and exchange to keep its books, records, accounts, **[and]** vouchers, *portfolios, and transactions* in such manner that he or his authorized representatives may readily verify its annual statements, *quarterly statements, monthly statements* and ascertain whether the company, association, or exchange has complied with the provisions of law. He shall without notice at least once annually during the first five years of existence of every domestic insurance company, association and exchange, and thereafter every four years, or oftener if he deems it to be necessary, personally or by his deputy, actuary, or examiners, visit each domestic insurance company, association, and exchange, and thoroughly inspect and examine its affairs to ascertain its financial condition and its ability to fulfill its obligations, whether it has complied with the provisions of law, and any other facts relating to its business methods and management, and the equity of its plans and its dealings with its policyholders *and claimants*. In the course of conducting any such examination, he may when he determines it to be prudent for the protection of policyholders *and claimants* or the public, compel the attendance of officers, directors or trustees of any domestic insurance company, association or exchange, or visit and examine, in person or by his deputy, actuary or examiners, any insurance company, association, or exchange of another State or foreign government applying for admission or already admitted to do business in this Commonwealth.

In lieu of such examination, the Insurance Commissioner may accept the report of examination made by or upon the authority of the supervising official of any other State.

The Insurance Commissioner shall cause to be prepared a report of the examination of any domestic insurance company, association or exchange immediately upon completion of such examination. He shall submit such report to the domestic insurance company, association or exchange examined which shall have the privilege of objecting to any part of such report within thirty days from the receipt thereof. In the event any objection shall have been made, the Insurance Commissioner shall grant a hearing to the organization examined before making such report available for public inspection. Thereafter, he may, if he deems it for the interest of the public to do so, publish any such report or the results of any such examination as contained therein in one or more newspapers of the Commonwealth.

Section 2. This act shall take effect immediately.

APPROVED—The 23rd day of June, A. D. 1976.

MILTON J. SHAPP