

No. 1978-216

AN ACT

HB 1949

Amending the act of May 17, 1921 (P.L.682, No.284), 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," eliminating the requirement that the Attorney General and the Governor approve amendments to the charters of stock and mutual insurance companies.

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

Section 1. Section 322, act of May 17, 1921 (P.L.682, No.284), known as "The Insurance Company Law of 1921," amended April 26, 1929 (P.L.782, No.334), fourth paragraph added July 19, 1951 (P.L.1100, No.245), and fifth paragraph added July 2, 1953 (P.L.331, No.74), is amended to read:

Section 322. Amendment of Charter.—(a) Any stock or mutual insurance company of this Commonwealth may procure an amendment to its charter for the purpose of changing its name, changing the location of its principal office or place of conducting its business, increasing or diminishing the par value of the shares of its capital stock, if any, or changing its purpose or purposes, or for any other purpose, by calling a special meeting of the stockholders or members.

(b) Notice of the object of such meeting shall be given by advertisement for four weeks preceding, in at least two daily or weekly newspapers and in the legal periodical, if any, designated by the rules of court of the proper county for the publication of legal notices, published in the city or county where the principal office of the company is located, or by circular mailed to the address of each stockholder or member.

(c) If at such meeting two-thirds of the votes, cast in person or by proxy, shall favor a resolution for the amendment of the charter of such company, said resolution and the number of votes cast for and against the same at the special meeting shall be spread on the records of the company, and a certified copy of the same shall be forwarded to the Insurance Commissioner[, who shall submit the same to the Attorney General]. In case he approves of said resolution, he shall certify his approval thereof [to the Governor,] and, when [approved by the Governor and] recorded in the office of the Secretary of the Commonwealth and of the recorder of deeds of the proper county, the amendment shall be deemed and taken to form part of the charter of said company.

(d) A mutual insurance company, other than life or title, shall be permitted to amend its charter to include any or all of the kinds of insurance included in section 202, subdivisions (b) and (c), if its total assets less net liability for losses for expenses and for unearned premium reserve for those premiums received on nonassessable policies are not less than the minimum premiums specified in section 206 (e) for the incorporation of new companies, without the necessity of obtaining or of holding any application or of issuing any policy as specified in section 206 (e) for the incorporation of new companies.

(e) Before any domestic stock fire, stock marine, stock fire and marine, or stock casualty insurance company transacting business under subdivisions (b) or (c) of section two hundred two of this act may procure an amendment to its charter for the transaction of additional kinds or classes of business under subdivisions (b) or (c) or both, said section two hundred two, it must have a paid up capital and a paid in or accumulated surplus in amounts required by subdivisions (b) or (c) or both, section two hundred six of this act, for incorporation for its present and proposed additional purposes.

Section 2. This act shall take effect in 60 days.

APPROVED—The 4th day of October, A. D. 1978.

MILTON J. SHAPP