

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1449 Session of
1985

INTRODUCED BY DeVERTER, JOHNSON, AFFLERBACH, TRUMAN, SAURMAN,
BUNT, SWEET, DORR, FOX, GANNON, McVERRY AND GEIST, JUNE 19,
1985

REFERRED TO COMMITTEE ON INSURANCE, JUNE 19, 1985

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," further providing for the amount of
12 insurance that may be reinsured.

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

15 Section 1. Section 319 of the act of May 17, 1921 (P.L.682,
16 No.284), known as The Insurance Company Law of 1921, amended
17 December 3, 1975 (P.L.474, No.139), is amended to read:

18 Section 319. Reinsurance Regulated.--(a) No stock or mutual
19 insurance company, association, or exchange, organized under the
20 laws of this Commonwealth, shall reinsure more than ninety per
21 centum (90%) of its entire schedule of policies [except by
22 approval of the Insurance Commissioner].

1 (b) Any domestic or foreign stock or mutual insurance
2 company, association, or exchange, authorized to transact
3 business in this Commonwealth, may reinsure [all or any part] up
4 to ninety per centum (90%) of its liability under one or more of
5 its policy contracts with any stock or mutual insurance company,
6 association, or exchange, doing the same or a similar kind of
7 business, licensed to transact business in this Commonwealth or
8 licensed to transact business in any of the United States, if
9 such company, association, or exchange is and remains of the
10 same standard of solvency and meets and continues to meet all
11 other requirements fixed by the laws of this Commonwealth for
12 companies, associations, or exchanges transacting the same
13 classes of business within this Commonwealth. Any domestic or
14 foreign stock or mutual insurance company, association, or
15 exchange, authorized to transact business in this Commonwealth,
16 shall pay to this Commonwealth taxes required on all business
17 taxable within this Commonwealth and reinsured, as provided in
18 this section, and may take credit for the reserves of each ceded
19 risk to the extent reinsured subject to the exceptions provided
20 in sections 319.1 through 319.2 inclusive.

21 Section 2. This act shall take effect immediately.