

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1589 Session of
1999

INTRODUCED BY GORDNER, MICOZZIE, CIVERA, MAHER, SEYFERT,
STABACK, SOLOBAY, STERN, WOJNAROSKI, M. COHEN, SCRIMENTI,
TANGRETTI AND RAMOS, JUNE 8, 1999

REFERRED TO COMMITTEE ON INSURANCE, JUNE 8, 1999

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as
2 amended, "An act relating to insurance; establishing an
3 insurance department; and amending, revising, and
4 consolidating the law relating to the licensing,
5 qualification, regulation, examination, suspension, and
6 dissolution of insurance companies, Lloyds associations,
7 reciprocal and inter-insurance exchanges, and certain
8 societies and orders, the examination and regulation of fire
9 insurance rating bureaus, and the licensing and regulation of
10 insurance agents and brokers; the service of legal process
11 upon foreign insurance companies, associations or exchanges;
12 providing penalties, and repealing existing laws," further
13 providing for insurance sales by public utilities.

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

16 Section 1. Section 641 of the act of May 17, 1921 (P.L.789,
17 No.285), known as The Insurance Department Act of 1921, amended
18 June 25, 1997 (P.L.349, No.40), is amended to read:

19 Section 641. Public Utilities Not to be Licensed.--(a) As
20 used in this section:

21 (2) "Public utility" means a private employer subject to the
22 jurisdiction of the Pennsylvania Public Utility Commission and
23 engaged in the business of rendering electric, gas, water and

1 steam heat services to the public in this Commonwealth:
2 Provided, however, That the term "public utility" shall not
3 include rural electrification cooperatives.

4 (b) No public utility or any subsidiary or affiliate of a
5 public utility[, or officer or employe thereof,] may, directly
6 or indirectly, be licensed or admitted as an insurer or be
7 licensed to sell insurance in this State either as a broker or
8 as an agent.

9 (c) The Insurance Commissioner is authorized to promulgate
10 regulations in order to effectuate the purposes of this section,
11 which are to help maintain the separation between public
12 utilities and the insurance business and to minimize the
13 possibilities of unfair competitive practices by public
14 utilities against insurance companies, agents and brokers.

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