

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2428 Session of
1976

INTRODUCED BY COHEN, VROON, ZEARFOSS, A. K. HUTCHINSON AND
TAYLOR, MAY 26, 1976

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, MAY 26, 1976

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," providing
13 for the licensing as insurance agents of certain nonresidents
14 of this Commonwealth.

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

17 Section 1. Section 608, act of May 17, 1921 (P.L.789,
18 No.285), known as "The Insurance Department Act of one thousand
19 nine hundred and twenty-one," added July 31, 1968 (P.L.1029,
20 No.310), is amended to read:

21 Section 608. Nonresident Agents.--(a) The Insurance
22 Commissioner may issue a license as [life] agent to a person not
23 resident of this Commonwealth, upon compliance with the
24 applicable provisions of this act, if the state or the Province

1 of Canada of such person's residence will accord the same
2 privilege to a resident of this Commonwealth.

3 (b) The Insurance Commissioner may enter into reciprocal
4 agreements with the appropriate official of any such other state
5 or province waiving the written examination of any applicant
6 resident in such other state or province, if:

7 (1) A written examination is required of applicants for [a
8 life] an insurance agent's license in such other state or
9 province;

10 (2) The appropriate official of the other state or province
11 certifies that the applicant holds a currently valid license as
12 [a life] an insurance agent in such other state or province and
13 either passed such a written examination or was the holder of [a
14 life] an insurance agent's license prior to the time a written
15 examination was required;

16 (3) That in such other state or province a resident of this
17 Commonwealth is privileged to procure [a life] an insurance
18 agent's license upon the foregoing conditions and without
19 discrimination as to fees otherwise in favor of the residents of
20 such other state or province.

21 (C) No such applicant or licensee shall have a place of
22 business in the Commonwealth, nor be an officer, director,
23 stockholder, or partner in any corporation or partnership doing
24 business in the Commonwealth as a life insurance agency.

25 (d) If the laws of another state or the Province of Canada
26 require the sharing of commissions with resident agents of that
27 state or province on applications for [life] insurance[, or life
28 insurance including disability insurance,] written by
29 nonresident agents, then the same provisions shall apply when
30 resident agents of that state or province, licensed as

- 1 nonresident agents of Pennsylvania, write applications for
- 2 insurance on residents of the Commonwealth.