

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2262 Session of
2005

INTRODUCED BY MUSTIO, MICOZZIE, DeLUCA, ARMSTRONG, BALDWIN,
BARRAR, BELARDI, BELFANTI, BUNT, CALTAGIRONE, CAPPELLI,
CORRIGAN, CRAHALLA, CREIGHTON, DALEY, DALLY, DeWEESE,
FAIRCHILD, GEORGE, GINGRICH, GODSHALL, GOOD, GOODMAN, GRELL,
GRUCELA, HASAY, FRANKEL, HARRIS, HERMAN, HERSHEY, HICKERNELL,
M. KELLER, W. KELLER, KILLION, KOTIK, LEDERER, MANDERINO,
MARKOSEK, McILHATTAN, MILLARD, R. MILLER, NAILOR, PAYNE,
PETRARCA, PICKETT, PISTELLA, RAPP, BOYD, McGEEHAN, FABRIZIO,
READSHAW, REED, ROSS, SATHER, SCAVELLO, SOLOBAY, SONNEY,
STABACK, STERN, R. STEVENSON, T. STEVENSON, SURRA,
E. Z. TAYLOR, J. TAYLOR, THOMAS, TIGUE, VEON, WILT,
YOUNGBLOOD, YUDICHAK, ZUG AND S. MILLER, NOVEMBER 22, 2005

REFERRED TO COMMITTEE ON INSURANCE, NOVEMBER 22, 2005

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 licensees deployed to a military zone of combat.

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

16 Section 1. Section 608-A of the act of May 17, 1921
17 (P.L.789, No.285), known as The Insurance Department Act of
18 1921, added December 6, 2002 (P.L.1183, No.147), is amended to

1 read:

2 Section 608-A. License renewals.

3 (a) General rule.--A licensee may request renewal of the
4 license. The licensee shall remit to the department a completed
5 renewal form, the required fee and verification that the
6 licensee has completed the continuing education required by this
7 act. A resident licensee that has not previously submitted
8 fingerprints to the department shall also submit the licensee's
9 fingerprints and the fee in order to permit the department to
10 receive national criminal history records information from the
11 Federal Bureau of Investigation Criminal Justice Information
12 Services Division. Upon receipt and review, the department shall
13 renew the license unless it determines that the licensee is not
14 in compliance with this act.

15 (b) Continuing education.--A licensee shall successfully
16 complete 24 credit hours of approved continuing education for
17 each two-year license period as a condition for license renewal
18 unless modified by the department by regulation. A licensee may
19 carry forward excess continuing education credit hours up to a
20 maximum of 24 credit hours from one licensing period to the next
21 licensing period.

22 (c) Continuing education exemptions.--The following
23 licensees shall be exempt from the requirements of continuing
24 education:

25 (1) A licensee who was licensed as an agent or broker
26 for a line of authority prior to January 1, 1971, and who has
27 been continuously licensed as an agent, broker or producer
28 for the line of authority since that time.

29 (2) A licensee which is a business entity.

30 (3) A licensee who has only a limited line of authority.

1 (4) A licensee who has a line of authority limited to
2 restricted fraternal.

3 (5) A licensee who has a line of authority limited to
4 limited line credit insurance if the insurer provided a
5 course of instruction to each individual whose duties will
6 include selling, soliciting or negotiating the insurance.

7 (6) A nonresident licensee who has satisfied the
8 continuing education requirements of the licensee's home
9 state if that state recognizes the satisfaction of its
10 continuing education requirements by a resident licensee
11 satisfying the requirements of this act. If the licensee's
12 home state has continuing education requirements and the
13 nonresident licensee fails to satisfy the home state's
14 continuing education requirements, the licensee shall be
15 subject to continuing education requirements of this act.

16 (7) A licensee's line of authority is restricted to
17 domestic mutual fire insurance and the licensee's appointment
18 is with an insurer writing only coverage other than insurance
19 upon automobiles as authorized by section 202(b)(1) through
20 (3) of the act of May 17, 1921 (P.L.682, No.284), known as
21 The Insurance Company Law of 1921.

22 (d) Lapses.--A licensee who allows his or her license to
23 lapse by failing to timely renew the license, pay the fee
24 required by this act or complete the continuing education
25 required by this act may within one year of the license renewal
26 date request the department to reinstate the license. Persons
27 requesting reinstatement of a lapsed license shall submit a
28 completed renewal form, the fee required by this act and
29 verification that the person has completed all continuing
30 education required by subsection (b) for the previously licensed

1 and lapsed periods. The department shall reinstate the license
2 retroactively, with the reinstatement effective on the date the
3 license lapsed, if the department receives a request for
4 reinstatement together with a completed renewal application,
5 payment of the lapsed license fee and proof of continuing
6 education compliance within 60 days after the license lapsed.
7 The department shall reinstate the license prospectively, with
8 reinstatement effective on the date that the license is
9 reinstated, if the department receives a request for
10 reinstatement of a lapsed license more than 60 days after the
11 license lapsed. If a person applies for reinstatement more than
12 one year after the lapse date, the person shall reapply for the
13 license under this act.

14 (e) Extenuating circumstances.--A licensee who is unable to
15 timely comply with the requirements of subsection (a) as a
16 result of military service or other extenuating circumstance may
17 request the department to waive the requirements of having to
18 complete continuing education for the period in which the
19 license had lapsed and payment of the lapsed license fee. The
20 request shall include sufficient detail and supporting
21 documentation to determine the necessity of the waiver. If the
22 department determines that there is good cause for
23 noncompliance, the department shall grant the waiver and permit
24 the licensee to request renewal of the license in accordance
25 with this act.

26 (e.1) Licensees deployed to a military zone of combat.--If a
27 licensee fails to timely comply with the requirements of
28 subsection (a) because the licensee is a member of the
29 Pennsylvania National Guard or a Pennsylvania resident who is a
30 member of the reserve component of the United States Armed

1 Forces and has been called to active duty and deployed to a zone
2 of combat as determined by the United States Secretary of
3 Defense for a period of time during which a licensee's license
4 lapses, the department shall waive:

5 (1) The requirements of having to complete continuing
6 education for the period in which the license has lapsed.

7 (2) The requirements of having to complete continuing
8 education for the two-year licensing cycle preceding the
9 lapse of the license.

10 (3) The one-year restriction regarding the renewal of a
11 lapsed license as prescribed in subsection (d), if the
12 deployment of the licensee results in a lapse of more than
13 one year.

14 (4) The payment of the lapsed license fee.

15 The department shall allow a licensee to request renewal of
16 the license in accordance with this act. The department shall
17 require the licensee to submit documentation providing proof of
18 the deployment of the licensee in order to administer the
19 provisions of this subsection.

20 (f) Renewal fees.--The following nonrefundable fees shall
21 accompany an application for renewal of an insurance producer
22 license unless modified by the department by regulation:

23 (1) Resident renewal fee - \$55.

24 (2) Nonresident renewal fee - \$110.

25 (3) Lapsed license renewal fee - \$165.

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