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Senate of Pennsylvania

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TO: All Senators

DATE: December 20, 2010

FROM: Senator Michael J. Stack

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SUBJECT: Co-Sponsorship

In the near future, **I will reintroduce Senate Bill 493 from the 2009-10 Legislative Session.**

This legislation amends Pennsylvania's Surplus Lines Insurance Law. The surplus lines insurance market is intended to provide coverage for nonstandard or unique risks that do not fit the underwriting guidelines for standard or traditional insurance coverage. Examples of surplus lines insurance include hole-in-one insurance for charity golf tournaments, as well as property and casualty insurance for traveling amusement rides or an explosives manufacturer. The Commonwealth's Surplus Lines Insurance Law and associated regulations permit orderly access to surplus lines insurance and a financially sound marketplace.

The legislation would make the following amendments to the Surplus Lines Insurance Law:

- Technical terminology updates to make the law consistent with the Producer Licensing Modernization Act (PLMA);
- Improve reporting and filing requirements to ensure consistency with PLMA;
- Provides for non-resident licensing reciprocity;
- Surplus lines licenses will be valid for two years instead of one year, increases the license fee, and provides for a scattered license renewal date;
- Allows the department to annually publish a list of surplus lines license holders;
- The department may require a licensee to attend educational seminars and other enrichment activities as a condition to continued licensure;
- Eliminates the mandatory examination of the Surplus Lines Advisory Organization;
- Increases the fine and penalty amounts for violations of the Surplus Lines Law.

The Pennsylvania Insurance Department supports this legislation. **Last session, it was co-sponsored by Senators Costa, Fontana, and Logan.**

If you have any questions or would like to co-sponsor this legislation, please call my office at 7-9608.