

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 650

Session of
1975

INTRODUCED BY MR. A. K. HUTCHINSON, MRS. TOLL, MESSRS. COHEN,
ROMANELLI, SCHMITT, MRS. GILLETTE, MESSRS. BARBER AND TRELLO,
MARCH 4, 1975

AS REPORTED FROM COMMITTEE ON CONSUMER PROTECTION, HOUSE OF
REPRESENTATIVES, AS AMENDED, SEPTEMBER 25, 1975

AN ACT

1 Amending the act of January 24, 1966 (1965 P.L.1509, No.531),
2 entitled "An act relating to, regulating, taxing, supervising
3 and controlling the placing of insurance on risks located in
4 the Commonwealth of Pennsylvania with insurers not licensed
5 to transact insurance business in Pennsylvania, permitting
6 licensed insurers to afford coverage which may be placed with
7 unlicensed insurers, providing fees and penalties, and
8 repealing certain existing laws," changing conditions related
9 to an unlicensed insurer being or becoming an eligible
10 surplus lines insurer.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Clause (2) of subsection (a) of section 7, act of
14 January 24, 1966 (1965 P.L.1509, No.531), entitled "An act
15 relating to, regulating, taxing, supervising and controlling the
16 placing of insurance on risks located in the Commonwealth of
17 Pennsylvania with insurers not licensed to transact insurance
18 business in Pennsylvania, permitting licensed insurers to afford
19 coverage which may be placed with unlicensed insurers, providing
20 fees and penalties, and repealing certain existing laws," is
21 amended to read:

1 Section 7. Eligible Surplus Lines Insurers.--(a) No surplus
2 lines agent shall place any insurance with any unlicensed
3 insurer which is not then an eligible surplus lines insurer. No
4 unlicensed insurer shall be or become an eligible surplus lines
5 insurer unless declared eligible by the commissioner in
6 accordance with the following conditions:

7 * * *

8 (2) The insurer must be currently a licensed insurer in the
9 state or country of its domicile as to the kind or kinds of
10 insurance which it proposes to provide [In addition it must have
11 been (i) such an insurer for not less than one full year
12 preceding, or (ii) must be a subsidiary of an already eligible
13 surplus lines insurer which has been so eligible for a period of
14 not less than one full year preceding, or (iii) must be a
15 subsidiary of an insurer licensed in Pennsylvania, which has
16 been so licensed for a period of not less than one full year
17 preceding.] and shall have been so currently licensed for a
18 minimum period of at least three years immediately preceding its <—
19 seeking to be declared an eligible surplus lines insurer. PERIOD <—
20 OF TIME SUFFICIENT FOR THE COMMISSIONER TO ASCERTAIN THAT THE
21 OTHER PREREQUISITES OF THIS ACT HAVE BEEN MET, INCLUDING
22 OPERATIONAL PROCEDURES AND CLAIMS PRACTICES.

23 * * *

24 Section 2. This act shall take effect immediately.