

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 919

Session of
1983

INTRODUCED BY RICHARDSON, KUKOVICH, PISTELLA, FATTAH, DeWEESE,
DEAL, EVANS, TRUMAN AND CARN, MAY 3, 1983

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, MAY 3, 1983

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 licensing examinations for agents and brokers
14 and duties of the Insurance Commissioner relating thereto.

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

17 Section 1. Article VI of the 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, is amended by adding a subdivision
20 to read:

21 ARTICLE VI.

22 AGENTS AND BROKERS.

23 * * *

1 (f) LICENSING EXAMINATIONS.

2 Section 671. Licensing Examinations; Requirements.-- (a)
3 The following words and phrases, as used in this section, shall
4 have the meanings ascribed to them in this subsection unless the
5 context clearly indicates otherwise:

6 (1) "Entry-level." The level of knowledge, skills and
7 abilities normally required of a beginning insurance agent or
8 broker.

9 (2) "Job-related." A substantial relationship existing
10 between (i) the knowledge, skills and abilities as may be tested
11 by the examination; and (ii) a representative sample of the
12 actual knowledge, skills and abilities necessary for the
13 competent performance of those critical entry-level work
14 functions which are necessary to safeguard the public. Such
15 actual knowledge, skills and abilities shall be determined by a
16 professionally acceptable job analysis of actual work functions
17 of entry-level agents and brokers.

18 (3) "Testing agency." Any organization, association,
19 partnership or individual which or who develops, prepares or
20 administers an examination with or on behalf of the Insurance
21 Commissioner.

22 (b) (1) The Insurance Commissioner shall on March 1
23 annually issue a public report stating, with respect to each
24 licensing examination given during the preceding calendar year
25 and for each date such an examination was given, the number of
26 persons by race and sex who (i) applied to take each part of
27 such examination; (ii) took each part of such examination; and
28 (iii) received a passing score on each part of such examination.

29 (2) Each testing agency shall provide to the Insurance
30 Commissioner and the Insurance Commissioner shall retain as a

1 matter of public record, all studies, evaluations, item analyses
2 and reports which pertain to the reliability, validity, bias,
3 standard deviation and passing score of any licensing
4 examination given by the Insurance Commissioner and all
5 documents related to the validation and job analyses required by
6 this section. The Insurance Commissioner and testing agency
7 shall retain all applications to take such examinations; copies
8 of all examinations and answer keys; all individual answer
9 sheets, scores and results; and all rules used to convert raw
10 scores into reported scores for each examination.

11 (c) Every licensing examination given by the Insurance
12 Commission shall, prior to its use, be validated to show that it
13 is an entry-level, job-related examination and to ensure against
14 unlawful discrimination.

15 (d) Any applicant for license, any agent or broker as
16 defined in sections 601 and 621, respectively, and any company
17 as defined in section 101, may bring suit against the Insurance
18 Commissioner and any testing agency for appropriate relief under
19 this section in the Commonwealth Court or in the court of common
20 pleas for the county in which the applicant, agent, broker or
21 company resides or maintains its principal office in this
22 Commonwealth.

23 (e) The Insurance Commissioner shall promulgate regulations
24 to facilitate the detection and correction of errors in scoring
25 of licensing examinations and to implement the provisions of
26 this section.

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