

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1536** Session of  
1985

INTRODUCED BY RICHARDSON, LINTON, DEAL AND TRUMAN, JUNE 27, 1985

REFERRED TO COMMITTEE ON INSURANCE, JUNE 27, 1985

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 \* \* \*

24 (f) LICENSING EXAMINATIONS.

1     Section 671. Licensing Examinations; Requirements.-- (a)

2     The following words and phrases, as used in this section, shall  
3     have the meanings ascribed to them in this subsection unless the  
4     context clearly indicates otherwise:

5     "Entry-level." The level of knowledge, skills and abilities  
6     normally required of a beginning insurance agent or broker.

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

16    "Testing agency." Any organization, association, partnership  
17    or individual which or who develops, prepares or administers an  
18    examination with or on behalf of the Insurance Commissioner.

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

26    (2) Each testing agency shall provide to the Insurance  
27    Commissioner and the Insurance Commissioner shall retain as a  
28    matter of public record, all studies, evaluations, item analyses  
29    and reports which pertain to the reliability, validity, bias,  
30    standard deviation and passing score of any licensing

1 examination given by the Insurance Commissioner and all  
2 documents related to the validation and job analyses required by  
3 this section. The Insurance Commissioner and testing agency  
4 shall retain all applications to take such examinations; copies  
5 of all examinations and answer keys; all individual answer  
6 sheets, scores and results; and all rules used to convert raw  
7 scores into reported scores for each examination.

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

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

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

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