
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1879 Session of
2001

INTRODUCED BY WILT, M. COHEN, GEORGE, HENNESSEY, TIGUE AND
TRICH, AUGUST 20, 2001

REFERRED TO COMMITTEE ON INSURANCE, AUGUST 20, 2001

AN ACT

1 Amending the act of September 22, 1978 (P.L.763, No.143),
2 entitled "An act establishing certain procedures relating to
3 the termination of insurance agency contracts or accounts and
4 providing penalties," further providing for scope of act.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Section 1.1 of the act of September 22, 1978
8 (P.L.763, No.143), entitled "An act establishing certain
9 procedures relating to the termination of insurance agency
10 contracts or accounts and providing penalties," added December
11 18, 1987 (P.L.418, No.88), is amended to read:

12 Section 1.1. Scope of act.

13 (a) General rule.--This act applies to all classes and kinds
14 of insurance which may be written by stock or mutual property or
15 casualty insurance companies, associations or exchanges,
16 including fidelity, surety and guaranty bonds and all other
17 forms of motor vehicle insurance except:

18 (1) Reinsurance.

1 (2) Accident and health insurance.

2 (3) Insurance against loss of or damage to aircraft or
3 against liability arising out of the ownership, maintenance
4 or use of aircraft.

5 (b) Nonapplicability.--The provisions of this act do not
6 apply to:

7 (1) business owned by the insurer and not by the agent,
8 provided such insurer offers to continue such policies
9 through another of its agents;

10 [(2) any agency contract in effect for less than four
11 years;]

12 (3) an agent whose license has been suspended or revoked
13 by the Insurance Commissioner or whose contract has been
14 terminated for insolvency, abandonment, gross or willful
15 misconduct, or failure to pay over to the insurer moneys due
16 to the insurer after his receipt of a written demand thereof;
17 or

18 (4) an agent who has demonstrated gross incompetence
19 which would normally be cause for agency contract
20 termination.

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