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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1605 Session of  
2017

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INTRODUCED BY TOBASH, JUNE 22, 2017

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REFERRED TO COMMITTEE ON INSURANCE, JUNE 22, 2017

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AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled "An  
2 act relating to insurance; establishing an insurance  
3 department; and amending, revising, and consolidating the law  
4 relating to the licensing, qualification, regulation,  
5 examination, suspension, and dissolution of insurance  
6 companies, Lloyds associations, reciprocal and inter-  
7 insurance exchanges, and certain societies and orders, the  
8 examination and regulation of fire insurance rating bureaus,  
9 and the licensing and regulation of insurance agents and  
10 brokers; the service of legal process upon foreign insurance  
11 companies, associations or exchanges; providing penalties,  
12 and repealing existing laws," in insurance producers, further  
13 providing for imposition of additional fees.

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

16 Section 1. Section 674-A(b) of the act of May 17, 1921  
17 (P.L.789, No.285), known as The Insurance Department Act of  
18 1921, is amended and the section is amended by adding  
19 subsections to read:

20 Section 674-A. Imposition of additional fees.

21 \* \* \*

22 (b) Application fee.--Notwithstanding other provisions of  
23 this section, no insurance producer shall charge a fee for the  
24 completion of an application for [a] an individual contract of

1 insurance unless there is no commission paid by the insurer to  
2 the insurance producer.

3 (c) Notice to consumers.--An insurance producer who charges  
4 a fee in accordance with subsection (b) shall provide written  
5 notice to the consumer regarding fees. The notice shall:

6 (1) clearly list the service or services for which the  
7 fee is being charged;

8 (2) disclose the amount of the fee; and

9 (3) include the date that the fee must be paid to the  
10 insurance producer.

11 (d) Consent.--Each time before a fee is charged in  
12 accordance with this section, the consumer must consent to the  
13 fee in writing on a separate form provided by the insurance  
14 producer.

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