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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# SENATE BILL

No. **419**

Session of  
1961

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INTRODUCED BY MESSRS. WEINER AND MURRAY,  
MARCH 20, 1961.

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REFERRED TO COMMITTEE ON INSURANCE, MARCH 20, 1961.

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## AN ACT

Amending the act of May 17 1921 (P L 789) entitled as amended "An act relating to insurance establishing an insurance department and amending revising and consolidating the law relating to the licensing qualification regulation examination suspension and dissolution of insurance companies Lloyds associations reciprocal and inter-insurance exchanges and certain societies and orders the examination and regulation of fire insurance rating bureaus and the licensing and regulation of insurance agents and brokers the service of legal process upon foreign insurance companies

Supersession—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill.  
Underlining indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

associations or exchanges providing penalties and repealing existing laws" constituting insurance agents and brokers fiduciaries with respect to funds received as insurance agents or brokers and prescribing penalties for the violation thereof

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

1 Section 1 Section 633.1 act of May 17 1921 (P L 789) known as  
2 "The Insurance Department Act of one thousand nine hundred and  
3 twenty-one" added July 10 1960 (P L 524) is reenacted to read  
4 Section 633.1 Fiduciary Capacity of Agents and Brokers Every  
5 insurance agent and broker acting as such in this Commonwealth shall be  
6 responsible in a fiduciary capacity for all funds received or collected  
7 as insurance agent or broker and shall not without the express consent  
8 of his or its principal mingle any such funds with his or its own funds  
9 or with funds held by him or it in any other capacity Nothing herein  
10 contained shall be deemed to require any such agent or broker to main-  
11 tain a separate bank deposit for the funds of each such principal if and  
12 as long as the funds so held for each such principal are reasonably as-  
13 certainable from the books of account and records of such agent or  
14 broker

1 Section 2 Section 639 of the act amended May 9 1949 (P L 951)

2 is amended to read

3 Section 639 Revocation Et Cetera of License Penalty Upon satis-  
4 factory evidence of the violation of any of the provisions of sections  
5 six hundred four six hundred six six hundred seven six hundred twenty-  
6 three six hundred thirty-one six hundred thirty-two six hundred thirty-  
7 three six hundred thirty-three point one six hundred thirty-four six  
8 hundred thirty-five six hundred thirty-six six hundred thirty-seven and  
9 six hundred thirty-eight of this act by any agent or solicitor of any in-  
10 surance company association or exchange or by any insurance broker  
11 or excess insurance broker or upon satisfactory evidence of such con-  
12 duct as would disqualify such agent or broker or excess broker from  
13 initial issuance of a license under sections six hundred three six hundred  
14 twenty-two and six hundred twenty-four the Insurance Commissioner  
15 may in his discretion pursue any one or more of the following courses  
16 of action

17 (1) Suspend or revoke or refuse to renew the license of such offend-  
18 ing party or parties

19 (2) Impose a penalty of not more than one thousand dollars for

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1 each and every act in violation of any of said sections by said party or  
2 parties

3 Before the Insurance Commissioner shall take any action as above  
4 set forth he shall give written notice to the person company association  
5 or exchange accused of violating the law stating specifically the nature  
6 of such alleged violation and fixing a time and place at least ten (10)  
7 days thereafter when a hearing of the matter shall be held After such  
8 hearing or upon failure of the accused to appear at such hearing the  
9 Insurance Commissioner shall impose such of the above penalties as he  
10 deems advisable

11 When the Insurance Commissioner shall take action in any or all  
12 of the three ways above recited the party aggrieved may appeal from  
13 said action to the court of common pleas of Dauphin County Any agent  
14 or solicitor of any insurance company association or exchange or any  
15 insurance broker or any person copartnership association or corporation  
16 violating the provisions of sections six hundred thirty-three point one  
17 six hundred thirty-five six hundred thirty-six six hundred thirty-seven and  
18 six hundred thirty-eight [immediately preceding] of this act shall be  
19 guilty of a misdemeanor and upon conviction thereof shall be sentenced  
20 to pay a fine of not more than five hundred dollars (\$500.00) for each

- 1 and every violation or at the discretion of the court to imprisonment in
- 2 the county jail of the county in which the offense is committed for a
- 3 period of not more than six months or both

We certify that this bill has passed the Senate and the House of  
 Representatives.

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 Chief Clerk, Senate

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 President pro tempore, Senate

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 Speaker, House of Representatives

Approved The ..... day of ..... A. D. 1961.

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 Governor