

No. 463

AN ACT

HB 1969

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, associations or exchanges; providing penalties, and repealing existing laws," providing for the licensing and certification of managers and exclusive general agents and prescribing fees and penalties.

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

Section 1. Article VI, act of May 17, 1921 (P. L. 789), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," is amended by adding after subdivision (c) a new subdivision and five new sections to read:

(d) MANAGERS AND EXCLUSIVE GENERAL AGENTS

Section 650. Insurance Companies to Certify Names of Managers or Exclusive General Agents.—Every domestic insurance company operating under a management contract or an exclusive general agency agreement entered into after the effective date of this act, shall certify to the Insurance Commissioner the name of the manager or exclusive general agent, within ten days from the effective date of said contract or agreement and within ten days after the renewal of the license of such manager or exclusive general agent. No certification is required for an agent or general agent whose authority is limited primarily to production of insurance business with limited underwriting authority. Manager or exclusive general agent shall include an individual, co-partnership or corporation.

Section 651. License for Managers and Exclusive General Agents.—No such manager or exclusive general agent, except an agent or general agent whose authority is limited primarily to production of insurance business with limited underwriting authority, shall engage in any activities for which said manager or exclusive general agent is authorized,

empowered or designated by a domestic insurance company without having been licensed as such by the Insurance Commissioner. Upon application filed under rules and regulations pertaining thereto prescribed by the Insurance Commissioner, a manager's license or an exclusive general agent's license may be issued where the Insurance Commissioner is satisfied that the applicant is of good business reputation and has the responsibility, general character and fitness for the business which are such as to command the confidence of the public and to warrant the belief that the applicant's activities will be honestly and efficiently conducted, and that the applicant is worthy of a license as manager or exclusive general agent.

Licenses issued hereunder shall be in effect for a period of one year from date of issuance. The Insurance Commissioner shall charge and collect an annual license fee of twenty-five dollars.

Issuance of such license shall not relieve the company's directors and officers of their duties and responsibilities.

Section 652. Exclusion, Sale or Transfer.—Any manager or exclusive general agent operating under any management contract or exclusive general agency agreement entered into prior to the effective date of this act, shall not be subject to the licensing provision set forth in section 651 hereof: Provided, however, That any sale, assignment or transfer of any management contract or exclusive general agency agreement, whether said contract or agreement was entered into before or after the effective date of this act, shall make the purchaser, assignee or transferee subject to the licensing provisions of section 651 hereof, and the companies shall make certification, as provided in section 650 hereof.

Section 653. Revocation and Suspension of License; Penalty.—The Insurance Commissioner, upon satisfactory evidence of such conduct as would disqualify a licensed manager or exclusive general agent from initial issuance of a license under section 651 hereof, may, in his dis-

cretion, suspend or revoke or refuse to renew the license of such manager or exclusive general agent.

Before the Insurance Commissioner shall take any action as above set forth, he shall give written notice to the manager or exclusive general agent, stating specifically the nature of the alleged conduct and fixing a time and place at least ten days thereafter when a hearing in the matter shall be held. After such hearing or upon failure of the licensee to appear at such hearing, the Insurance Commissioner shall impose such of the above penalties as he deems advisable under the circumstances.

When the Insurance Commissioner shall take action in any or all of the ways above recited, the party aggrieved may appeal from said action to the Court of Common Pleas of Dauphin County.

Section 654. Penal Provision.—Any individual, copartnership, or corporation acting as a manager or exclusive general agent of a domestic insurance company without a license, as required by this act, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars for each day of operation without a license.

Any domestic insurance company which fails to file the certification required by section 650 hereof shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars for each day of non-compliance.

Section 2. This act shall take effect immediately.

APPROVED—The 22d day of December, A. D. 1965.

WILLIAM W. SCRANTON

No. 464

AN ACT

HB 1977

Amending the act of June 1, 1959 (P. L. 350), entitled "An act relating to the retirement of public school employes; amending, revising, consolidating and changing the laws relating thereto," making certain school employes paid wholly or in part from Federal funds eligible for membership.