

No. 36

AN ACT

HB 650

Amending the act of January 24, 1966 (1965 P.L.1509, No.531), entitled "An act relating to, regulating, taxing, supervising and controlling the placing of insurance on risks located in the Commonwealth of Pennsylvania with insurers not licensed to transact insurance business in Pennsylvania, permitting licensed insurers to afford coverage which may be placed with unlicensed insurers, providing fees and penalties, and repealing certain existing laws," changing conditions related to an unlicensed insurer being or becoming an eligible surplus lines insurer.

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

Section 1. Clause (2) of subsection (a) of section 7, act of January 24, 1966 (1965 P.L.1509, No.531), entitled "An act relating to, regulating, taxing, supervising and controlling the placing of insurance on risks located in the Commonwealth of Pennsylvania with insurers not licensed to transact insurance business in Pennsylvania, permitting licensed insurers to afford coverage which may be placed with unlicensed insurers, providing fees and penalties, and repealing certain existing laws," is amended to read:

Section 7. Eligible Surplus Lines Insurers.—(a) No surplus lines agent shall place any insurance with any unlicensed insurer which is not then an eligible surplus lines insurer. No unlicensed insurer shall be or become an eligible surplus lines insurer unless declared eligible by the commissioner in accordance with the following conditions:

* * *

(2) The insurer must be currently a licensed insurer in the state or country of its domicile as to the kind or kinds of insurance which it proposes to provide [**In addition it must have been (i) such an insurer for not less than one full year preceding, or (ii) must be a subsidiary of an already eligible surplus lines insurer which has been so eligible for a period of not less than one full year preceding, or (iii) must be a subsidiary of an insurer licensed in Pennsylvania, which has been so licensed for a period of not less than one full year preceding.] and shall have been so currently licensed for a period of time sufficient for the commissioner to ascertain that the other prerequisites of this act have been met, including operational procedures and claims practices.**

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Section 2. This act shall take effect immediately.

APPROVED—The 8th day of April, A. D. 1976.

MILTON J. SHAPP