

No. 95

AN ACT

SB 1329

Amending the act of May 17, 1921 (P.L.789, No.285), 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," further providing for certain penalties.

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

Section 1. Section 209, act of May 17, 1921 (P.L.789, No.285), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," amended July 31, 1968 (P.L.763, No.239), is amended to read:

Section 209. Penalty for Acting Without Certificate of Authority.—Any insurance company, association, or exchange doing an insurance business within this Commonwealth without a certificate of authority as required by this act shall be required to pay a *civil* penalty of not less than **[one hundred dollars (\$100)] *one thousand dollars (\$1,000)*** nor more than **[one thousand dollars (\$1000)] *ten thousand dollars (\$10,000)*** for each offense, to be recovered on behalf of the Commonwealth.

Any person negotiating or soliciting any policy of insurance or suretyship in this Commonwealth, collecting or forwarding premiums or delivering policies for any company, association, or exchange to which a certificate of authority has not been granted, shall be deemed to be the agent of the company, association, or exchange, in any legal proceedings brought against it. *Such person shall be required to pay a civil penalty of not less than one thousand dollars (\$1,000) nor more than ten thousand dollars (\$10,000) for each offense to be recovered on behalf of the Commonwealth.*

Before the Insurance Commissioner shall take any action, as above set forth, he shall give written notice to the company, association or exchange or person accused of violating the law, stating the nature of such alleged violation, and fixing a time and place, at least ten days thereafter, when a hearing of the matter shall be held. After such hearing or failure of the accused to appear at such hearing, the Insurance Commissioner shall impose such penalty as he deems advisable.

Section 2. This act shall take effect immediately.

APPROVED—The 23rd day of June, A. D. 1976.

MILTON J. SHAPP