

No. 110

AN ACT

SB 707

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 regulating licensing, filing and other fees charged and collected by the Insurance Commissioner.

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

Section 1. Section 210, act of May 17, 1921 (P.L.789, No.285), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," reenacted April 27, 1927 (P.L.476, No.302), is amended to read:

Section 210. Service of Process.—Serving of process in any action, rule, order, or legal proceeding may be made on any foreign insurance company, association, or exchange, licensed to transact business in this Commonwealth, by registered mail or by leaving the same in duplicate in the hands of the Insurance Commissioner or his deputy at the Harrisburg office. One copy, certified by the Insurance Commissioner or his deputy as having been served upon him, shall be deemed sufficient evidence thereof, and service upon the Insurance Commissioner or his deputy as attorney shall be deemed valid service upon the company, association, or exchange.

When legal process is served upon the Insurance Commissioner as attorney for a foreign company, association, or exchange, he shall forthwith forward one of the duplicate copies of the process served on him to its secretary or attorney in fact, or, in the case of a company, association, or exchange of a foreign country, to its resident manager in the United States. Where attachments are so served, the Insurance Commissioner shall give immediate notice thereof to the company, association, or exchange by telegraph. As a condition of valid and effective service and of the duty of the Insurance Commissioner in the premises, the plaintiff in each such process shall pay to the Insurance Commissioner, at the time of service thereof, the sum of **[two] ten** dollars, which the said plaintiff shall recover as taxable costs in the case if he prevails in the suit. The Insurance Commissioner shall keep a record of all such processes, which shall show the day and hour of service and where and by whom served.

Section 2. Section 211 of the act, amended June 1, 1959 (P.L.347, No.75), is amended to read:

Section 211. Fees.—The Insurance Commissioner shall charge and collect fees as follows: For valuation of life *insurance* policies, not exceeding one cent for each thousand dollars of insurance valued, but in no case shall the minimum fee be less than ten dollars (\$10); for filing copy of charter *of a domestic, foreign or alien company, association or exchange, in addition to any fee for filing such charter with the Department of State*, twenty-five dollars; for the filing *of an* annual or other statement, **[twenty] forty** dollars; for license to company, association, or exchange, or certified copy, or duplicate thereof, **[two] five** dollars; for license to a rating organization the fee prescribed by the act of Assembly creating such rating organization; **[for license as excess insurance broker, one hundred dollars;]** for each listing for written examination of an applicant for license as an agent, broker, **[excess insurance broker,]** public adjuster or public adjuster's solicitor, ten dollars; for each applicant for such licenses who has qualified by previous examination, an application fee of five dollars; for license as insurance broker, **[ten] twenty** dollars for *an* individual, and for each license in the name of a copartnership or corporation, *twenty-five dollars*, and for each license in the name of qualified individual active members or officers of a copartnership or corporation, *twenty-five dollars*; for agents' license for each domestic or foreign company, association and exchange **[three dollars; for each line of life, accident and health, fire, casualty or title insurance] for either (i) life and/or accident and health lines, or (ii) fire and/or casualty lines, or (iii) title insurance lines, regardless of the number of powers, excepting variable annuities, for which licensed, five dollars. [all] All** of the said brokers' and agents' license fees **[to] shall** be paid in full at time of issuance of license and **[not to] shall not** be apportioned pro rata over the **[annual] initial** license period. **[The fee for an examination application or license of an agent or broker shall cover all lines of insurance for which the examination application or license is made or issued and only one fee shall be charged for issuance or renewal of an agent's or broker's license for either (1) life, accident and health lines or (2) fire, casualty, accident and health lines; for] For** each copy of any paper filed in the department, **[fifty cents per folio] twenty-five cents per page** and **[one dollar] two dollars** for certifying the same; for any other certificate required, two dollars; for making examinations, the expense of the examination, *for filing and reviewing agreements of merger of domestic, foreign and alien companies, fifty dollars for the first two companies involved and ten dollars for each additional company; for filing and review of a plan of conversion from a mutual company to a stock company, or for filing and review of a plan of conversion from a stock company to a mutual company, two hundred dollars; for filing and*

review of terms and conditions of proposed exchange of shares of stock, two hundred dollars; for filing and review of statements, information and material in connection with a proposed acquisition or offer to acquire the capital stock of a domestic insurance company or insurance holding company, two hundred dollars; for filing and review of registration statement by an insurer which is a member of an-insuree holding company system, two hundred dollars; and for filing each amendment to registration statement, fifty dollars; for issuing a certificate of compliance, deposit or surety, or any other certificate required to be issued by the department, five dollars for each certificate; for filing and review of qualification of an insurer to issue variable annuities, one hundred dollars; for certification of an agent's or broker's license, or for duplicate or replacement licenses, five dollars; for any other certificate issued by the division of agents and brokers, five dollars; for each renewal of license as an individual agent, copartnership or corporation, five dollars; and for each additional variable annuity power in such license, five dollars. All fees collected shall be *paid* daily [covered] into the State Treasury.

Section 3. Section 212 of the act, amended August 14, 1959 (P.L.717, No.251), is amended to read:

Section 212. Effect of Additional Restrictions of Other States.—As used in this section the term—

“Insurance Companies” includes insurance companies, insurance associations and insurance exchanges.

“Agents” includes insurance agents, insurance brokers, public adjusters and public adjusters’ solicitors.

“Burdens or Prohibitions” includes taxes, fines, penalties, licenses, fees, rules, regulations, obligations, and prohibitions, including prohibitions against writing particular kinds of insurance by insurance companies, and restrictions on the payment or division of commissions to or with insurance agents or brokers licensed under the laws of this Commonwealth.

“Other States” includes other states of the United States and foreign governments.

If any other state imposes any burdens or prohibitions on insurance companies, or agents of this state doing business in such other state, which are in addition to, or in excess of, the burdens or prohibitions imposed by this Commonwealth on insurance companies and agents, like burdens and prohibitions shall be imposed on all insurance companies and agents of such other state doing business in this Commonwealth, so long as the burdens and prohibitions of such other state remain in force. In applying this section to an insurance company of another state, such company shall not be required to pay any taxes and fees which are greater in aggregate amount than those which would be imposed by the laws of such other state and any political subdivision

thereof upon a like company of this Commonwealth transacting the same volume and kind of business in such other state.

If any other state requires additional or other insurance covering motorists, or motor vehicles that are insured in Pennsylvania insurance companies, or in insurance companies of other states that are licensed to do business in this Commonwealth in order to use the highways of such other state, like, additional or other insurance shall be required to cover all motorists and motor vehicles of such other state using the highways of this Commonwealth so long as the requirement of such other state shall remain in force.

The existence of a monopolistic State Fund for the writing of any class or classes of insurance in another state shall not be construed as a reason to deny to a company, association or exchange of that state a license to transact such classes of insurance in this Commonwealth.

Section 4. The act is amended by adding a section to read:

Section 222. Renewal of Licenses; Fees.—The Insurance Commissioner may issue licenses for a period of two years at two times the annual fees established by this act. One-half of any fee collected shall be refunded or be credited to the account of the payor entitled to the refund if such license is cancelled within¹ twelve months of its inception date or within twelve months of effective date as certified to the Insurance Commissioner by insurance companies, associations and exchanges authorized by law to transact business within this Commonwealth.

Section 5. Section 651 of the act, added December 22, 1965 (P.L.1172, No.463), is amended to read:

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] one hundred dollars.

¹"with" in original.

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

Section 6. This act shall take effect immediately.

APPROVED—The 17th day of June, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 110.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style with a large initial "C" and a prominent "T" at the end.

Secretary of the Commonwealth.