

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2096

PRINTER NO. 2677

AMOUNT

No Fiscal Impact

FUND

Insurance Regulation and Oversight Fund

DATE INTRODUCED

March 12, 2024

PRIME SPONSOR

Representative Warren

DESCRIPTION

House Bill 2096 amends Act 284 of 1921, known as the Insurance Company Law, to add a section concerning Surplus Lines Insurance & Fees.

The bill adds a new section authorizing a surplus lines licensee to charge fees for coverage on a personal policy which may not exceed either 4% of the policy's premium or \$150, whichever amount is greater. The commissioner is authorized to increase the cap imposed on these fees by publishing notice of the increase in the Pennsylvania Bulletin.

Fees charged by a surplus lines licensee may be for each policy and must be reasonable in association with the policy being purchased. The licensee is required to provide, in clear and conspicuous writing, a disclosure to the prospective consumer and an itemization of fees associated with each service, including an inspection and service fee along with the premium tax due on the policy.

The surplus lines licensee or insurer may recoup the cost associated with any inspection when the following applies:

- The inspection is required;
- If the cost was incurred by the surplus line licensee; and
- The inspection was documented or can be verified.

This act shall take effect in 60 days.

FISCAL IMPACT:

According to the Insurance Department, enactment of House Bill 2096 will have no fiscal impact on Commonwealth funds.