

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1241 Session of 2024

INTRODUCED BY GEBHARD, ROTHMAN AND DUSH, JUNE 5, 2024

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 30, 2024

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled "An
2 act, relating to insurance; establishing an insurance
3 department; and amending, revising, and consolidating the law
4 relating to the licensing, qualification, regulation,
5 examination, suspension, and dissolution of insurance
6 companies, Lloyds associations, reciprocal and inter-
7 insurance exchanges, and certain societies and orders, the
8 examination and regulation of fire insurance rating bureaus,
9 and the licensing and regulation of insurance agents and
10 brokers; the service of legal process upon foreign insurance
11 companies, associations or exchanges; providing penalties,
12 and repealing existing laws," in insurance producers, further
13 providing for definitions, for powers and duties of
14 department, for license prerequisites ~~and for licensing.~~, FOR <--
15 LICENSING AND FOR LICENSE RENEWALS.

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

18 Section 1. The definition of "candidate" in section 601-A of
19 the act of May 17, 1921 (P.L.789, No.285), known as The
20 Insurance Department Act of 1921, is amended to read:

21 Section 601-A. Definitions.

22 The following words and phrases when used in this article
23 shall have the meanings given to them in this section unless the
24 context clearly indicates otherwise:

1 * * *

2 "Candidate." An individual who [has satisfactorily completed
3 or is exempt from the preexamination educational requirements
4 of] applies to take an insurance producer licensing examination
5 under section 604-A.

6 * * *

7 ~~Section 2. Sections 602 A(a) (2), 604 A(a), (b), (c) and (d) <--~~
8 ~~introductory paragraph and 606 A(a) (3) of the act are amended to~~
9 ~~read:~~

10 SECTION 2. SECTIONS 602-A(A) (2), 604-A(A), (B), (C) AND (D) <--
11 INTRODUCTORY PARAGRAPH, 606-A(A) (3) AND 608-A(B) OF THE ACT ARE
12 AMENDED TO READ:

13 Section 602-A. Powers and duties of department.

14 (a) Responsibilities.--The commissioner shall do all of the
15 following:

16 * * *

17 (2) Approve and administer or contract for the overall
18 administration of the [preexamination program, preexamination
19 courses of study,] insurance producer licensing examinations
20 and continuing education programs. [A preexamination
21 education program approved by the department shall include no
22 less than three credit hours on ethics.]

23 * * *

24 Section 604-A. License prerequisites.

25 (a) General rule.--Prior to applying to the department for
26 an insurance producer license, an individual shall [do the
27 following:

28 (1) satisfactorily complete the preexamination education
29 requirements of subsection (b); and

30 (2)] pass an insurance producer licensing examination

1 required for the lines of authority for which a candidate
2 desires a license.

3 [(b) Preexamination education requirements.--Prior to making
4 an application for the insurance producer licensing examination,
5 an individual who desires to be licensed as an insurance
6 producer shall complete a minimum of 24 credit hours of approved
7 preexamination courses. Upon satisfactory completion of an
8 approved preexamination course of study, the individual shall be
9 issued proof of completion by the provider.]

10 (c) Insurance producer licensing examination.--[Except as
11 provided in subsection (d), upon satisfactory completion of an
12 approved preexamination course of study a candidate may apply to
13 take an insurance producer licensing examination.] A candidate
14 shall remit a completed application for examination indicating
15 the lines of authority for which the candidate desires to be
16 licensed[, a copy of the candidate's approved preexamination
17 study certificate] and the nonrefundable examination fee
18 established by the department prior to taking an insurance
19 producer licensing examination.

20 (d) Exceptions.--The examination [or preexamination
21 education] requirements of this act shall not be required if the
22 person is:

23 * * *

24 Section 606-A. Licensing.

25 (a) Applicants.--The department shall review each
26 application and may conduct an investigation of each applicant
27 who applies for a license in accordance with this act. The
28 department shall issue a resident or nonresident insurance
29 producer license, as appropriate, to the applicant when the
30 department determines that all of the following criteria have

1 been met:

2 * * *

3 [(3) The applicant has satisfied the preexamination
4 education requirements of this act.]

5 * * *

6 SECTION 608-A. LICENSE RENEWALS. <--

7 * * *

8 (B) CONTINUING EDUCATION.--

9 (1) A LICENSEE SHALL SUCCESSFULLY COMPLETE 24 CREDIT
10 HOURS OF APPROVED CONTINUING EDUCATION FOR EACH TWO-YEAR
11 LICENSE PERIOD AS A CONDITION FOR LICENSE RENEWAL UNLESS
12 MODIFIED BY THE DEPARTMENT BY REGULATION. A LICENSEE MAY
13 CARRY FORWARD EXCESS CONTINUING EDUCATION CREDIT HOURS UP TO
14 A MAXIMUM OF 24 CREDIT HOURS FROM ONE LICENSING PERIOD TO THE
15 NEXT LICENSING PERIOD.

16 (2) FOR EACH LICENSEE, AT LEAST 3 OF THE 24 CREDIT HOURS
17 OF APPROVED CONTINUING EDUCATION REQUIRED UNDER PARAGRAPH (1)
18 MUST BE ON THE TOPIC OF ETHICS. THE FOLLOWING APPLY:

19 (I) FOR AN INDIVIDUAL LICENSED PRIOR TO THE
20 EFFECTIVE DATE OF THIS SUBPARAGRAPH, THE INDIVIDUAL SHALL
21 SATISFY THE ETHICS REQUIREMENT UNDER THIS PARAGRAPH
22 WITHIN 12 MONTHS OF THE EFFECTIVE DATE OF THIS
23 SUBPARAGRAPH OR BY THE END OF THE INDIVIDUAL'S LICENSE
24 PERIOD EXISTING ON THE EFFECTIVE DATE OF THIS
25 SUBPARAGRAPH, WHICHEVER PERIOD OF TIME IS LONGER.

26 (II) FOR AN INDIVIDUAL LICENSED ON OR AFTER THE
27 EFFECTIVE DATE OF THIS SUBPARAGRAPH, THE INDIVIDUAL SHALL
28 SATISFY THE ETHICS REQUIREMENT UNDER THIS PARAGRAPH ON OR
29 BEFORE THE END OF THE INDIVIDUAL'S FIRST LICENSE PERIOD.

30 (3) FOR EACH LICENSEE WITH A PROPERTY AND CASUALTY LINE

1 OF AUTHORITY, AT LEAST 2 OF THE 24 CREDIT HOURS OF APPROVED
2 CONTINUING EDUCATION REQUIRED UNDER PARAGRAPH (1) MUST BE ON
3 THE TOPIC OF FLOOD INSURANCE. THE FOLLOWING APPLY:

4 (I) FOR AN INDIVIDUAL LICENSED PRIOR TO THE
5 EFFECTIVE DATE OF THIS SUBPARAGRAPH, THE INDIVIDUAL SHALL
6 SATISFY THE FLOOD INSURANCE REQUIREMENT UNDER THIS
7 PARAGRAPH WITHIN 12 MONTHS OF THE EFFECTIVE DATE OF THIS
8 SUBPARAGRAPH OR BY THE END OF THE INDIVIDUAL'S LICENSE
9 PERIOD EXISTING ON THE EFFECTIVE DATE OF THIS
10 SUBPARAGRAPH, WHICHEVER PERIOD OF TIME IS LONGER.

11 (II) FOR AN INDIVIDUAL LICENSED ON OR AFTER THE
12 EFFECTIVE DATE OF THIS SUBPARAGRAPH, THE INDIVIDUAL SHALL
13 SATISFY THE FLOOD INSURANCE REQUIREMENT UNDER THIS
14 PARAGRAPH ON OR BEFORE THE END OF THE INDIVIDUAL'S FIRST
15 LICENSE PERIOD.

16 * * *

17 Section 3. This act shall take effect in 180 days.