



**COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT**

Office of Regulation of Companies  
1345 Strawberry Square  
Harrisburg, PA 17120

Telephone (717) 783-2142  
Fax (717) 787-8557

**INSURANCE DEPARTMENT NOTICE NO. 2000-04**

**DATE:** February 14, 2000

**TO:** ALL INSURANCE COMPANIES, PRODUCERS, OTHER LICENSEES  
ENGAGED OR PARTICIPATING IN THE BUSINESS OF INSURANCE IN  
PENNSYLVANIA AND OTHER INTERESTED PARTIES

**FROM:** Stephen J. Johnson  
Deputy Insurance Commissioner

**SUBJECT:** The Violent Crime Control and Law Enforcement Act of 1994,  
18 U.S.C., Sections 1033 and 1034

This Notice is to advise all persons and entities currently engaged or participating, or seeking to engage or participate, in the business of insurance in this Commonwealth that the Pennsylvania Insurance Department (Department) has adopted an Application for Written Consent to Engage in the Business of Insurance Pursuant to The Violent Crime Control and Law Enforcement Act of 1994 (Act), 18 U.S.C. §§ 1033 and 1034 (Application for Written Consent).

Under the Act, it is a criminal offense for any individual who has been convicted of any criminal felony involving dishonesty or a breach of trust, or an offense under the Act, to willfully engage or participate in the business of insurance, or to willfully permit such participation, without the written consent of the appropriate insurance regulatory official. The written consent must specify that the consent is granted for the purpose of permitting insurance activity pursuant to § 1033(e) of the Act.

The Act broadly defines the term "business of insurance" and provides no exemptions or "grandfather" provisions for convictions that occurred prior to its enactment or for persons who are already engaged or participating in the business of insurance. Individuals prohibited from engaging or participating in the business of insurance without written consent are referred to as "prohibited persons." The Department has jurisdiction under the Act to consider requests for written consent filed by the following types of prohibited persons:

1. Officers, directors, employees, consultants, and subcontractors of domestic insurers, including but not limited to insurance companies, associations and exchanges, Lloyds insurers, health maintenance organizations, fraternal benefit societies, beneficial associations, hospital plan corporations, health services plan corporations, preferred

provider organizations, premium finance companies, risk retention groups and purchasing groups.

2. Resident licensees and their officers, directors and employees, including but not limited to agents, brokers, agencies, insurance administrators, managers, exclusive general agents, managing general agents, reinsurance intermediaries, surplus lines agents, public adjusters, public adjuster solicitors and motor vehicle physical damage appraisers.

A Pennsylvania resident who is a prohibited person must apply for and obtain the written consent of the Department to begin or to continue to engage or participate in the business of insurance. Written consent under the Act must be obtained even if the prohibited person is now or has ever been licensed or otherwise approved by the Department to transact business. In addition, a prohibited person who resides outside of Pennsylvania must obtain the written consent of his or her domiciliary insurance regulatory official to be permitted to begin or continue to engage or participate in the business of insurance in this Commonwealth.

While the Act provides a mechanism whereby a prohibited person may apply to the appropriate insurance regulatory official for written consent, it does not allow a prohibited person to work in the business of insurance while applying for that consent. The Department maintains full discretion in deciding whether or not to grant written consents, which will be determined on a case-by-case basis taking into account materials submitted to the Department by the applicant.

All affected persons are encouraged to thoroughly review the Act and insure that they are complying with it. Failure to inform the Department of a prior felony on a license application may result in a violation of the Act as well as constitute grounds for denial of the license. Employers must make diligent efforts to identify prohibited persons and insure that they are not violating the Act by permitting prohibited persons to engage or participate in the business of insurance without written consent.

The Department's Application for Written Consent may be obtained by contacting the Office of Regulation of Companies at (717) 783-2142, Fax (717) 787-8557. On or about March 1, 2000, the application will also be available on the Department's website at [www.insurance.state.pa.us](http://www.insurance.state.pa.us).

Questions concerning this notice may be directed to:

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