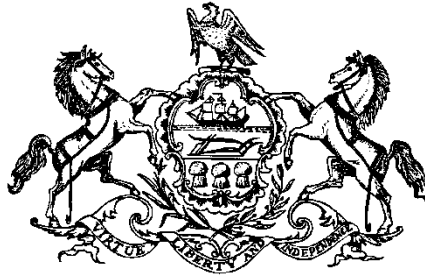


**COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT**



**QUALIFICATION AND ADMISSION REQUIREMENTS  
FOR INSURANCE PREMIUM FINANCE COMPANIES**

**COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT**

**OFFICE OF CORPORATE AND FINANCIAL REGULATION  
1345 STRAWBERRY SQUARE  
HARRISBURG, PA 17120  
PHONE: (717) 787-2735  
FAX: (717) 787-8557**

**QUALIFICATION AND ADMISSION REQUIREMENTS  
FOR INSURANCE PREMIUM FINANCE COMPANIES**

The Commonwealth of Pennsylvania appreciates your interest in exploring business opportunities here. A license issued by the Insurance Department is required to transact business as an Insurance Premium Finance Company in Pennsylvania pursuant to the Insurance Premium Finance Company Act of December 19, 1984, P.L. 1182, No. 224 (40 P.S. § 3301 et. seq.), hereinafter referred to as the “Act”. This packet will explain the procedures to be followed and the documentation to be filed to obtain a license as an Insurance Premium Finance Company.

**CONTENTS**

<b>I.</b>	<b>General Application Procedures</b>	<b>Page 3</b>
<b>II.</b>	<b>Qualifications For Licensure</b>	<b>Page 3-4</b>
<b>III.</b>	<b>Application Requirements</b>	<b>Page 4</b>
<b>IV.</b>	<b>Other Important Information</b>	<b>Page 5-6</b>

**Attachments:**

- **Insurance Premium Finance Company Application**
- **Insurance Premium Finance Company Business Plan**
- **Biographical Affidavit Form for Premium Finance Companies**

**Please refer to the following for guidance:**

- **Insurance Premium Finance Company Act (the “Act”)**

## I. GENERAL APPLICATION PROCEDURES

You may find the following general comments helpful as you proceed through the application process. At any time while your application is pending, please do not hesitate to contact the Company Licensing Division at (717) 787-2735, or FAX (717) 787-8557, should you have a question.

- 1) To expedite the application process, we recommend you assign one member of your staff as the designated point of contact for all correspondence and/or telephone inquiries with the Department.
- 2) After receiving your application, the Department will assign a Licensing Specialist to process your submission. Please use this person as your primary point of contact with the Department.
- 3) The Licensing Specialist will acknowledge the receipt of your application in writing and a general review of your application will be performed. You will be notified within two weeks of your application if all principal filing requirements are satisfied.
- 4) Your timely response to Department inquiries during our review is appreciated. Unanswered inquiries over 90 days old may result in the application being considered inactive.
- 5) Please notify the Licensing Specialist should any changes occur with information contained in previously submitted documents. Any changes to documents previously submitted should be immediately forwarded to the Department to supplement the original application. Allowing application information to become outdated may cause delays.

## II. QUALIFICATIONS FOR LICENSURE

All applicants for licensure as an Insurance Premium Finance Company must satisfy two primary qualifications, i.e., experience and net worth. The minimum requirements for each qualification are as follows:

### Office Manager - Minimum Experience

To qualify for a license, the applicant must demonstrate that its staff has adequate experience in transacting business in accordance with the intent and purpose of the Act. The individual listed on the application as Office Manager shall be the person actively in charge of the operation of the Insurance Premium Finance Company on a full-time basis. The minimum experience required for

approval as an Office Manager is employment in a consumer discount company, small loan company, bank or sales finance company on a full-time basis for a period of not less than one year, or any equivalent experience and/or training which provides the required knowledge and abilities.

#### Net Worth - Minimum Requirement

The minimum net worth required at the time of the issuance of a license is \$50,000. This amount of net worth must be maintained during the entire time the license is held.

### **III. APPLICATION REQUIREMENTS**

Premium Finance companies applying for a license must submit the following:

1. Application Form IDDC-20
2. License Fee - A non-refundable license fee of \$200.00 must accompany each application for licensure. Checks are to be made payable to the “*Commonwealth of Pennsylvania*”.
3. Business Plan
4. A Biographical Affidavit on the enclosed format for each officer, each director, and the office manager.
5. Articles of Incorporation stamped as received by the Pennsylvania Department of State. Foreign (out-of-state) entities must attach a copy of its filing for a Certificate of Authority stamped as received by the Pennsylvania Department of State.
6. An internally prepared balance sheet and income statement must be submitted for the applicant. Audited financial statements should be submitted if the applicant is audited by a certified public accountant on an annual basis. The financial statements must: (1) be for the legal entity that is applying for the license (the parent’s financial statements are not acceptable), (2) show a minimum net worth of \$50,000, and (3) be certified and sworn to by the applicant.
7. Two (2) copies of the Insurance Premium Finance Agreement

Completed applications should be submitted to:

Pennsylvania Insurance Department  
Bureau of Company Licensing and Financial Analysis  
Company Licensing Division  
Room 1345, Strawberry Square

### III. OTHER IMPORTANT INFORMATION

#### License Issuance

Licenses are issued by the Insurance Commissioner annually on July 1st. The license fee of \$200.00 is due on or before July 1st of each year. The license certificate shall be posted so it will be in full view of the public.

#### License Expiration

Should a licensee fail to renew a license on July 1st, or a license is revoked, canceled, terminated or surrendered, all privileges of the Act are forfeited, but the requirements of the Act remain in effect for currently outstanding loans.

#### Place of Business-Change of Address

Provide immediate notice to the Department of any change of address.

#### Examinations

The Insurance Commissioner may conduct periodic examinations of the premium finance company in accordance with the provisions of the Act. Such examinations are performed during regular business hours by representatives of the Department. The costs of examinations are paid by the licensee in accordance with the guidelines established by Department regulations (31 Pa Code, Chapter 12). Such costs are based upon the actual time and expenses of the examiner in making the examination.

#### Service Fees or Charges

Section 8(c) of the Act permits a licensed premium finance company to charge insureds a \$10.00 nonrefundable service charge per insurance premium finance agreement. Any application that includes a service charge in excess of the amount specified by the Act would need to be amended.

#### Pennsylvania Statutes

The compilation of the Pennsylvania Insurance Laws and cumulative pocket supplement thereto may be purchased from:

- a) **Purdon's Statutes, West Publishing Company**

610 Operman  
St. Paul, MN 55123  
Tele: (800) 733-2889  
Website: <http://www.westgroup.com>

**b) National Insurance Law Service Publishing Co.**

6750 Eton Avenue  
Canogo Park, CA 91303  
Tele: (800) 423-5910  
Website: <http://www.nils.com>

**c) BHM Insurance Services, L.L.C.**

P. O. Box 25130  
Wilmington, DE 19899-5130  
Tele: (302) 678-8795  
(800) 543-3635  
Website: <http://www.ramassociates.com>

**d) Pennsylvania Consolidated Statutes**

State Bookstore Annex  
State Records Center Building  
1825 Stanley Drive  
Harrisburg, PA 17103  
Tele: (717) 787-510

If you wish to subscribe to the [Pennsylvania Bulletin](#) please contact:

**Director, Pennsylvania Code and Bulletin**  
641 Main Capital Building  
Room 647  
Harrisburg, PA 17120-0033  
Tele: (717) 783-1530  
Fax: (717) 787-6362