

**COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT**



**QUALIFICATION REQUIREMENTS  
FOR APPOINTMENT OF  
MANAGING GENERAL AGENTS**

## QUALIFICATION REQUIREMENTS FOR APPOINTMENT OF MANAGING GENERAL AGENTS

The Commonwealth of Pennsylvania appreciates your interest in exploring business opportunities here. To act in the capacity of a managing general agent (“MGA”) for risks located in Pennsylvania, or in the capacity of a MGA for an insurer domiciled in Pennsylvania, you must first be licensed as an agent by this Department and be appointed as a MGA in compliance with 40 P.S. §322 (Article VIII of the Insurance Department Act of May 17, 1921, as amended).

### CONTENTS

#### I. General Application Procedures

Page 2

#### II. Specific Qualification Requirements

Page 2-3

Please refer to the following for guidance:

- 40 P.S. §322 - Article VIII of the Insurance Department Act of May 17, 1921

Any MGA subject to the requirements of 40 P.S. § 322 shall review the law in its entirety to become familiar with all requirements. For information on purchasing the compilation of the Pennsylvania Insurance Laws and cumulative pocket supplement thereto please see:

<http://www.ins.state.pa.us/ins/cwp/view.asp?a=1282&q=524989>

### I. GENERAL APPLICATION PROCEDURES

These instructions will help you complete the application. At any time during the process, feel free to contact the Company Licensing Division at (717) 787-2735, or FAX (717) 787-8557, with your questions.

- 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 this department.
- 2) After receiving your application, the Department assigns a Licensing Specialist to process your submission. Please use this person as your primary point of contact with the Department.
- 3) Your timely response to Department inquiries during our review of the your application is appreciated. Unanswered inquiries over 90 days old may result in the application being considered inactive.

### II. SPECIFIC QUALIFICATION AND ADMISSION REQUIREMENTS

The following requirements must be satisfied by companies seeking an MGA approval:

- 1) A copy of the contract in force between the insurer and the MGA. Contracts submitted for the Department’s review must include a cover sheet listing each required contract provision set forth in 40 P.S. §322.3 (Section 803 of Article VIII) and each prohibited act set forth in 40 P.S. §322.4 (Section 804 of Article VIII) and identifying the page number and paragraph for the provision in the contract which demonstrates compliance with each provision.
- 2) A statement describing the following:
  - a. duties which the applicant is expected to perform on behalf of the insurer
  - b. lines of insurance the MGA is authorized to place
  - c. maximum amount per claim the MGA has authority to adjust or pay

- d. contract termination date
- 3) A copy of the declaration page or Certificate of Insurance for a fidelity bond for the protection of the insurer equal to or greater than 10% of the maximum annual premium volume as stated in the underwriting guidelines to the contract, but in no event greater than \$500,000.
  - 4) A copy of the declaration page or Certificate of Insurance for an errors and omissions policy with limits of at least \$1 million.
  - 5) An executed copy of the Authorization Form for the individual authorized to appoint and terminate managing general agents on behalf of the insurer. This form must contain an original signature of an executive officer of the insurer.
  - 6) An executed copy of the MGA Appointment/Termination Application.
  - 7) A copy of a resident or non-resident agent's or agency's license.
  - 8) An organizational chart showing relationship with all affiliates.

\*\*\*Forms required for qualification as an agent ("IDL-01 & IDL-02") can be obtained on the Bureau of Producer Licensing's Web-Page. These should be submitted directly to the Bureau of Producer Licensing if the applicant is not a licensed Pennsylvania agent.

All insurers and MGAs subject to the requirements of 40 P.S. §322 (Article VIII of the Insurance Company Law of May 17, 1921, as amended) should carefully review the law in its entirety to become familiar with all requirements. The Department may test compliance through the conduct of financial and/or market conduct examinations.

**Return completed application and attachments to:**

Pennsylvania Insurance Department  
Company Licensing Division  
1345 Strawberry Square  
Harrisburg, PA 17120