

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 322

Session of
1979

INTRODUCED BY MESSRS. HALVERSON AND KOWALYSHYN,
FEBRUARY 13, 1979

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MARCH 26, 1979

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," further providing for the
12 cancellation or termination of certain policies.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 653, act of May 17, 1921 (P.L.682,
16 No.284), known as "The Insurance Company Law of 1921," amended
17 October 4, 1975 (P.L.346, No.100), is amended to read:

18 Section 653. Prohibited Policy Provisions.--No policy of
19 insurance against liability under "The Workmen's Compensation
20 Act of nineteen hundred and fifteen," and acts amendatory
21 thereof or supplementary thereto, or under "The Pennsylvania
22 Occupational Disease Act of nineteen hundred and thirty-nine,"

1 and acts amendatory thereof or supplementary thereto, shall
2 contain any limitation of the liability of the insurer to an
3 amount less than that for which the insured employer may become
4 liable under such acts during the term of such insurance. No
5 such policy or contract of insurance, nor any agreement to
6 deliver such insurance, shall be issued except upon a form
7 approved by the Insurance Commissioner as complying with all the
8 terms and provisions of this act. But a policy may be issued to
9 a self insurer, qualified under section three hundred five of
10 article three of "The Workmen's Compensation Act of nineteen
11 hundred and fifteen," and acts amendatory thereof or
12 supplementary thereto, or under section three hundred five of
13 article three of "The Pennsylvania Occupational Disease Act of
14 nineteen hundred and thirty-nine," and acts amendatory thereof
15 or supplementary thereto, providing for the payment of any
16 stated loss in excess of ten thousand dollars falling upon such
17 self insurer, under the terms of the said acts, by reason of any
18 single accident or by reason of any single occurrence resulting
19 in disability from occupational disease.

20 Except for nonpayment of premiums or during the first sixty
21 days of a policy which is not a renewal policy, no policy of
22 insurance issued or renewed against liability under the act of
23 June 2, 1915 (P.L.736, No.338), known as "The Pennsylvania
24 Workmen's Compensation Act," and acts amendatory thereof or
25 supplementary thereto; or under the act of June 21, 1939
26 (P.L.566, No.284), known as "The Pennsylvania Occupational
27 Disease Act," and acts amendatory thereof or supplementary
28 thereto; or under the Federal Coal Mine Health and Safety Act of
29 1969, as amended, Pub.L.91-173, December 30, 1969, 83 Stat. 742
30 et seq.; or insuring an employer against liability for all sums

1 such employer shall become legally obligated to pay any employe
2 of his as damages because of bodily injury by accident or
3 disease, including death at any time resulting therefrom,
4 sustained by such employe arising out of and in the course of
5 his employment, may be cancelled or terminated by an insurer
6 during the term of the policy. An insurer may cancel a policy at
7 any time for nonpayment of premiums. Any EXCEPT FOR A LOSS FOR <—
8 WHICH THE INSURER IS LIABLE UNDER THE POLICY, ANY insurer may
9 also cancel for any reason a policy of insurance, which is not a
10 renewal policy, during the first sixty days of the policy;
11 however, the cancellation of such policy shall not be effective
12 until twenty days after written notice of such cancellation has
13 been given to the insured. Such notice of cancellation shall
14 state the specific reason or reasons for the cancellation. There
15 shall be no liability on the part of and no cause of action of
16 any nature shall arise against the Insurance Commissioner, any
17 insurer, the authorized representatives, agents and employes of
18 either or any firm, person or corporation furnishing information
19 as to reasons for cancellation for any statement made by any of
20 them in complying with this act, or for providing of information
21 pertaining thereto. Such notice of cancellation may be given by
22 the insurer at any time during the sixty-day cancellation
23 period.

24 Section 2. This act shall take effect immediately.