

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2593 Session of
1982

INTRODUCED BY BLAUM, TIGUE AND CAWLEY, JUNE 9, 1982

REFERRED TO COMMITTEE ON INSURANCE, JUNE 9, 1982

AN ACT

1 Amending the act of July 19, 1974 (P.L.489, No.176), entitled
2 "An act providing for a compensation system for persons
3 injured in motor vehicle accidents; requiring insurance for
4 all motor vehicles required to be registered in Pennsylvania;
5 defining compensable damage in motor vehicle accident cases;
6 establishing an assigned claims plan; providing for
7 arbitration; imposing powers and duties on courts, the
8 Department of Transportation and the Insurance Commissioner;
9 prohibiting certain discrimination; and providing penalties,"
10 requiring notice to buyer in case of assigned risk plan
11 coverage.

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

14 Section 1. Section 105, act of July 19, 1974 (P.L.489,
15 No.176), known as the "Pennsylvania No-fault Motor Vehicle
16 Insurance Act," is amended to read:

17 § 105. Availability of insurance.

18 (a) Plan.--

19 (1) The commissioner shall establish and implement or
20 approve and supervise a plan assuring that any required no-
21 fault benefits and tort liability coverages for motor
22 vehicles will be conveniently and expeditiously available,

1 subject only to payment or provisions for payment of the
2 premium, to each individual who cannot conveniently obtain
3 insurance through ordinary methods at rates not in excess of
4 those applicable to similarly situated individuals under the
5 plan. The plan may provide reasonable means for the transfer
6 of individuals insured thereunder into the ordinary market,
7 at the same or lower rates, pursuant to regulations
8 established by the commissioner. The plan may be implemented
9 by assignment of applicants among insurers, pooling, any
10 joint insuring or reinsuring arrangement, or any other
11 method, that results in all applicants being conveniently
12 afforded the insurance coverages on reasonable and not
13 unfairly discriminatory terms.

14 (2) The plan shall make available added loss benefits
15 and tort liability coverage together with other contract
16 provisions which the commissioner determines are reasonably
17 needed by applicants and are commonly afforded in voluntary
18 markets. The plan must also assure that there is available
19 through the private sector or otherwise to all applicants
20 adequate premium financing or provision for the installment
21 payment of premiums subject to customary terms and
22 conditions.

23 (3) All insurers writing no-fault benefits and tort
24 liability coverages in this Commonwealth shall participate in
25 the plan. The plan shall provide for equitable apportionment,
26 among all participating insurers writing any insurance
27 coverage required under the plan, of the financial burdens of
28 insurance provided to applicants under the plan and the costs
29 of operation of the plan.

30 (4) Subject to the supervision and approval of the

1 commissioner, insurers may consult and agree with each other
2 and with other appropriate persons as to the organization,
3 administration, and operation of the plan and as to rates and
4 rate modifications for insurance coverages provided under the
5 plan. Rates and rate modifications adopted or charged for
6 insurance coverages provided under the plan shall:

7 (A) be first adopted or approved by the
8 commissioner; and

9 (B) be reasonable and not unfairly discriminatory
10 among similarly situated applicants for insurance
11 pursuant to regulations established by the commissioner.

12 (4.1) Every insurer furnishing coverage under the plan
13 of this section shall, before writing it, give the individual
14 to be covered a form stating that he is aware he is being
15 covered by the plan because he cannot conveniently obtain
16 insurance through ordinary methods because of his accident
17 record. If the individual to be covered meets all the
18 underwriting requirements of the insurer, he shall be offered
19 the lowest rate possible by the insurance company or
20 companies, regardless of any underwriting restrictions that
21 have been placed on the writing agent by the company or
22 companies said agent represents. The individual to be covered
23 shall sign the form in triplicate, one copy to be retained by
24 him, the second by the insurer, the third by the agent.

25 (5) To carry out the objectives of this subsection, the
26 commissioner may adopt rules, make orders, enter into
27 agreements with other governmental and private entities and
28 individuals, and form and operate or authorize the formation
29 and operation of bureaus and other legal entities.

30 (b) Cancellation, refusal to renew, or other termination of

1 insurance.--Cancellation, refusal to renew and other termination
2 of insurance shall be provided for in accordance with the
3 provisions of the act of June 5, 1968 (P.L.140, No.78), entitled
4 "An act regulating the writing, cancellation of or refusal to
5 renew policies of automobile insurance; and imposing powers and
6 duties on the Insurance Commissioner therefor."

7 Section 2. This act shall take effect in 60 days.