
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2265 Session of
1988

INTRODUCED BY VEON, MARCH 21, 1988

REFERRED TO COMMITTEE ON INSURANCE, MARCH 21, 1988

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, repealing provisions relating to the Catastrophic
3 Loss Trust Fund.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Sections 1306, 1309 and 1373 of Title 75 of the
7 Pennsylvania Consolidated Statutes are amended to read:

8 § 1306. Grounds for refusing registration.

9 The department shall refuse registration or renewal or
10 transfer of registration when any of the following circumstances
11 exists:

12 (1) The applicant is not entitled to registration under
13 the provisions of this chapter.

14 (2) The applicant has at registration or titling
15 neglected or refused to furnish the department with the
16 information required on the appropriate official form, or any
17 reasonable additional information required by the department.

18 (3) The department has reasonable grounds to believe

1 that the application contains false or fraudulent
2 information, or that the vehicle is stolen, which fact the
3 department shall ascertain by reference to the stolen vehicle
4 file required to be maintained under section 7114 (relating
5 to records of stolen vehicles), or that the granting of
6 registration would constitute a fraud against the rightful
7 owner or other person having a valid lien upon the vehicle.

8 (4) The fees required by law have not been paid.

9 (5) The vehicle is not constructed or equipped as
10 required by this title.

11 (6) The registration of the vehicle stands suspended for
12 any reason as provided for in this title.

13 [(7) The Catastrophic Loss Trust Fund charge has not
14 been paid.]

15 § 1309. Renewal of registration.

16 At least 60 days prior to the expiration of each
17 registration, the department shall send to the registrant an
18 application for renewal of registration. Upon return of the
19 application, accompanied by self-certification of financial
20 responsibility[,] and the applicable fee or fees [and proof that
21 the Catastrophic Loss Trust Fund charge has been paid], the
22 department shall send to the registrant a renewed registration
23 card. Failure to receive a renewal application shall not relieve
24 a registrant from the responsibility to renew the registration.

25 § 1373. Suspension of registration.

26 The department may suspend any registration after providing
27 opportunity for a hearing in any of the following cases when the
28 department finds upon sufficient evidence that:

29 (1) The vehicle is unsafe or unfit for operation or is
30 not equipped as required by this title.

1 (2) The owner or registrant has made, or permitted to be
2 made, any unlawful use of the vehicle or registration plate
3 or plates, or registration card, or permitted the use by a
4 person not entitled thereto.

5 (3) The owner or registrant has knowingly made a false
6 statement or knowingly concealed a material fact or otherwise
7 committed a fraud in any application or form required to be
8 filed by this title.

9 (4) Upon the request or order of any court of record.

10 (5) The required fees have not been paid.

11 (6) The registrant or any agent or employee has
12 repeatedly violated any of the provisions of this chapter or
13 Chapter 11 (relating to certificate of title and security
14 interests).

15 [(7) The Catastrophic Loss Trust Fund charge has not
16 been paid.]

17 Section 2. Subchapter F of Chapter 17 is repealed.

18 Section 3. Sections 1787(d), 1796, 1797 and 1798 of Title 75
19 are amended to read:

20 § 1787. Self-insurance.

21 * * *

22 [(d) Catastrophic Loss Trust Fund.--Self-insurers shall
23 contribute to the Catastrophic Loss Trust Fund in the manner
24 provided in Subchapter F (relating to Catastrophic Loss Trust
25 Fund).]

26 * * *

27 § 1796. Mental or physical examination of person.

28 (a) General rule.--Whenever the mental or physical condition
29 of a person is material to any claim for medical[,] or income
30 loss [or catastrophic loss] benefits, a court of competent

1 jurisdiction [or the administrator of the Catastrophic Loss
2 Trust Fund for catastrophic loss claims] may order the person to
3 submit to a mental or physical examination by a physician. The
4 order may only be made upon motion for good cause shown. The
5 order shall give the person to be examined adequate notice of
6 the time and date of the examination and shall state the manner,
7 conditions and scope of the examination and the physician by
8 whom it is to be performed. If a person fails to comply with an
9 order to be examined, the court [or the administrator] may order
10 that the person be denied benefits until compliance.

11 (b) Report of examination.--If requested by the person
12 examined, a party causing an examination to be made shall
13 promptly deliver to the person examined a copy of every written
14 report concerning the examination at least one of which must set
15 forth the physician's findings and conclusions in detail. Upon
16 failure to promptly provide copies of these reports, the court
17 [or the administrator] shall prohibit the testimony of the
18 examining physician in any proceeding to recover benefits.

19 § 1797. Customary charges for treatment.

20 A person or institution providing treatment, accommodations,
21 products or services to an injured person for an injury covered
22 by medical [or catastrophic loss] benefits shall not make a
23 charge for the treatment, accommodations, products or services
24 in excess of the amount the person or institution customarily
25 charges for like treatment, accommodations, products and
26 services in cases involving no insurance.

27 § 1798. Attorney fees and costs.

28 (a) Basis for reasonable fee.--No attorney's fee for
29 representing a claimant in connection with a claim for first
30 party benefits provided under Subchapter B (relating to motor

1 vehicle liability insurance first party benefits) [or a claim
2 for catastrophic loss benefits under Subchapter F (relating to
3 Catastrophic Loss Trust Fund)] shall be calculated, determined
4 or paid on a contingent fee basis, nor shall any attorney's fees
5 be deducted from the benefits enumerated in this subsection
6 which are otherwise due such claimant. An attorney may charge a
7 claimant a reasonable fee based upon actual time expended.

8 (b) Unreasonable refusal to pay benefits.--In the event an
9 insurer is found to have acted with no reasonable foundation in
10 refusing to pay the benefits enumerated in subsection (a) when
11 due, the insurer shall pay, in addition to the benefits owed and
12 the interest thereon, a reasonable attorney fee based upon
13 actual time expended.

14 (c) [Payment by fund.--The Catastrophic Loss Trust Fund may
15 award the claimant's attorney a reasonable fee based upon actual
16 time expended because a claimant is unable to otherwise pay the
17 fees and costs.

18 (d)] Fraudulent or excessive claims.--If, in any action by a
19 claimant to recover benefits under this chapter, the court
20 determines that the claim, or a significant part thereof, is
21 fraudulent or so excessive as to have no reasonable foundation,
22 the court may award the insurer's attorney a reasonable fee
23 based upon actual time expended. The court, in such case, may
24 direct that the fee shall be paid by the claimant or that the
25 fee may be treated in whole or in part as an offset against any
26 benefits due or to become due the claimant.

27 Section 4. This act shall not be deemed to affect or impair
28 the benefit rights of any person who has filed a claim against
29 the Catastrophic Loss Trust Fund under Subchapter F of Chapter
30 17, prior to the effective date of this act.

1 Section 5. The Insurance Department is hereby directed to
2 make a study of an alternative method of protecting motorists
3 who incur accident claims in excess of \$100,000 and make
4 recommendations to the General Assembly within 90 days for the
5 establishment of a new system to replace the Catastrophic Loss
6 Trust Fund by permitting companies licensed to write automobile
7 insurance in this Commonwealth to offer such coverage. The
8 department shall also make recommendations for the disposition
9 of the funds currently deposited in the Catastrophic Loss Trust
10 Fund.

11 Section 6. If funds remain in the Catastrophic Loss Trust
12 Fund after all claims are paid under section 4, the remaining
13 balance shall be transferred to the General Fund.

14 Section 7. If there are insufficient funds to pay all claims
15 under section 4, the remaining balance shall be transferred from
16 the General Fund.

17 Section 8. This act shall take effect immediately.