

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

# HOUSE BILL

## No. 2865

Session of  
1992

---

INTRODUCED BY GODSHALL, TIGUE, GRUPPO, WOGAN, NAHILL, FARGO,  
E. Z. TAYLOR, LAUGHLIN, MELIO, BROWN, D. W. SNYDER,  
KRUSZEWSKI, OLASZ, McHALE, DONATUCCI, CLARK, CARONE,  
BATTISTO, TOMLINSON, SAURMAN, LINTON, JAMES, PETRONE,  
DEMPSEY, KING, TRELLO, J. TAYLOR, ARNOLD, HARLEY, O'BRIEN,  
ITKIN, GERLACH, JOHNSON, HARPER AND M. N. WRIGHT,  
JUNE 23, 1992

---

REFERRED TO COMMITTEE ON INSURANCE, JUNE 23, 1992

---

AN ACT

1 Amending the act of June 5, 1968 (P.L.140, No.78), entitled "An  
2 act regulating the writing, cancellation of or refusal to  
3 renew policies of automobile insurance; and imposing powers  
4 and duties on the Insurance Commissioner therefor," further  
5 providing for premium payments.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Section 5 of the act of June 5, 1968 (P.L.140,  
9 No.78), entitled "An act regulating the writing, cancellation of  
10 or refusal to renew policies of automobile insurance; and  
11 imposing powers and duties on the Insurance Commissioner  
12 therefor," amended July 14, 1988 (P.L.546, No.97), is amended to  
13 read:

14 Section 5. No cancellation or refusal to renew by an insurer  
15 of a policy of automobile insurance shall be effective unless  
16 the insurer shall deliver or mail, to the named insured at the  
17 address shown in the policy a written notice of the cancellation

1 or refusal to renew. Such notice shall:

2 (1) Be approved as to form by the Insurance Commissioner  
3 prior to use;

4 (2) State the date, not less than sixty days after the date  
5 of such mailing or delivering on which such cancellation or  
6 refusal to renew shall become effective, except that such  
7 effective date may be fifteen days from the date of mailing or  
8 delivery when it is being cancelled or not renewed for the  
9 reasons set forth in clauses (1) and (2) of section 4;

10 (3) State the specific reason or reasons of the insurer for  
11 cancellation or refusal to renew;

12 (4) Advise the insured of his right to request in writing,  
13 within thirty days of the receipt of the notice of cancellation  
14 or intention not to renew, and of the receipt of the reason or  
15 reasons for the cancellation or refusal to renew as stated in  
16 the notice of cancellation or of intention not to renew, that  
17 the Insurance Commissioner review the action of the insurer;

18 (5) Either in the notice or in an accompanying statement  
19 advise the insured of his possible eligibility for insurance  
20 through the automobile assigned risk plan;

21 (6) Advise the insured that he must obtain compulsory  
22 automobile insurance coverage if he operates or registers a  
23 motor vehicle in the Commonwealth, that the insurer is notifying  
24 the Department of Transportation that the insurance is being  
25 cancelled or not renewed, and that the insured must notify the  
26 Department of Transportation that he has replaced said coverage.

27 (7) Clearly state that, when coverage is to be terminated  
28 due to nonresponse to a citation imposed under 75 Pa.C.S. § 1533  
29 (relating to suspension of operating privilege for failure to  
30 respond to citation) or nonpayment of a fine or penalty imposed

1 under that section, coverage shall not terminate if the insured  
2 provides the insurer with proof that the insured has responded  
3 to all citations and paid all fines and penalties and that he or  
4 she has done so on or before the termination date of the policy.

5 (8) State that if the reason for cancellation or refusal to  
6 renew is nonpayment of premium, the notice shall include  
7 language that the policy coverage will be reinstated if the  
8 premium owed is received by the insurer on or before the  
9 effective date of cancellation.

10 Section 2. Section 6 of the act, amended October 5, 1978  
11 (P.L.1060, No.248), is amended to read:

12 Section 6. Nothing in this act shall apply:

13 [(1) If the insurer has manifested its willingness to renew  
14 by issuing or offering to issue a renewal policy, certificate or  
15 other evidence of renewal, or has manifested such intention by  
16 any other means;

17 (2)] (1) If the named insured has demonstrated by some overt  
18 action to the insurer or its agent that he wishes the policy to  
19 be cancelled or that he does not wish the policy to be renewed;

20 [(3)] (2) To any policy of automobile insurance which has  
21 been in effect less than sixty days, unless it is a renewal  
22 policy, except that no insurer shall decline to continue in  
23 force such a policy of automobile insurance on the basis of the  
24 grounds set forth in subsection (a) of section 3 hereof and  
25 except that if an insurer cancels a policy of automobile  
26 insurance in the first sixty days, the insurer shall supply the  
27 insured with a written statement of the reason for cancellation.

28 Section 3. This act shall take effect in 60 days.