

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2096 Session of
1993

INTRODUCED BY YEWIC, MIHALICH, GIGLIOTTI, TRELLO, CLARK, OLASZ,
TIGUE, HENNESSEY, WILLIAMS AND LaGROTTA, OCTOBER 6, 1993

REFERRED TO COMMITTEE ON INSURANCE, OCTOBER 6, 1993

AN ACT

1 Amending the act of June 11, 1947 (P.L.538, No.246), entitled
2 "An act relating to the regulation of rates for insurance
3 which may be written by stock or mutual casualty insurance
4 companies, associations or exchanges, including fidelity,
5 surety and guaranty bonds and all other forms of motor
6 vehicle insurance, and title insurance; to rating and
7 advisory organizations; conferring on the Insurance
8 Commissioner the power and duty of supervising and regulating
9 persons, associations, companies and corporations, and of
10 enforcing the provisions of this act; prescribing and
11 regulating the practice and procedure before the
12 commissioner, and procedure for review by the courts; giving
13 the Court of Common Pleas of Dauphin County exclusive
14 jurisdiction over certain proceedings; prescribing penalties
15 and providing for enforcement thereof, and repealing
16 inconsistent acts," providing for motor vehicle insurance
17 premiums based on interim rating symbols.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. Section 3 of the act of June 11, 1947 (P.L.538,
21 No.246), known as The Casualty and Surety Rate Regulatory Act,
22 is amended by adding a subsection to read:

23 Section 3. Making of Rates.--All rates shall be made in
24 accordance with the following provisions:

25 * * *

1 (f) If an insured pays a premium for motor vehicle insurance
2 coverage based on an interim rating symbol and the rating symbol
3 ultimately established results in a lower premium, the insurer
4 shall refund to the insured the difference between the premium
5 paid and the premium due had the premium been based on the
6 rating symbol ultimately established. In lieu of a refund, the
7 insurer may make a corresponding reduction in the insured's next
8 scheduled billing. For purposes of this subsection, the term
9 "rating symbol" means a designation assigned to a motor vehicle
10 by an insurer, rating organization or other entity based on
11 certain attributes of the vehicle and upon which an insurer
12 bases, in whole or in part, a value used to determine motor
13 vehicle insurance premiums.

14 Section 2. This act shall apply to motor vehicle insurance
15 policies issued, renewed, modified, altered, amended or reissued
16 on or after the effective date of this act.

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