

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1100

Session of
1995

INTRODUCED BY VANCE, PERZEL, EVANS, SAYLOR, ZUG, NAILOR, TRUE, MARSICO, SCHULER, RUDY, RUBLEY, MASLAND, GORDNER, DENT, SANTONI, TRELLO, TIGUE, TANGRETTI, KENNEY, FAIRCHILD, NICKOL, BUXTON, EGOLF, FLEAGLE, HASAY, KUKOVICH, CAWLEY, STURLA, B. SMITH, PETRONE, DEMPSEY, M. N. WRIGHT, E. Z. TAYLOR, WAUGH, HENNESSEY, DeLUCA, DALEY, TRICH, ROEBUCK, VAN HORNE, PITTS, FARMER, TULLI, PLATTS, GLADECK, LEVDANSKY, GEIST, HUTCHINSON, STEELMAN, BELFANTI, MERRY, MANDERINO, BAKER, LAUGHLIN, BLAUM, READSHAW, MUNDY, COWELL, BUNT, HERSHEY, MILLER, BROWN, M. COHEN, STABACK, PESCI, HERMAN, SURRA, CIVERA, CURRY, HALUSKA, VEON, JOSEPHS, FEESE, CLYMER, CORNELL, STETLER, BOSCOLA, O'BRIEN, RAYMOND, SATHER, BATTISTO, HORSEY, BARD, YOUNGBLOOD, BROWNE, WALKO, PICCOLA, CARONE, PISTELLA, MICHLOVIC, KAISER, FAJT, ROONEY, CONTI, DeWEESE, MAJOR, HARHART, BUTKOVITZ, ARGALL, JADLOWIEC, GRUITZA, BARLEY, STEIL, REINARD, NYCE, ROBINSON, LAWLESS, OLASZ, MARKOSEK, BISHOP, WASHINGTON, D. W. SNYDER, CHADWICK AND BEBKO-JONES, MARCH 9, 1995

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 17, 1995

AN ACT

1 Amending the act of July 22, 1974 (P.L.589, No.205), entitled
2 "An act relating to unfair insurance practices; prohibiting
3 unfair methods of competition and unfair or deceptive acts
4 and practices; and prescribing remedies and penalties,"
5 further providing for definitions and for unfair competition
6 and practices.

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

9 Section 1. Section 3 of the act of July 22, 1974 (P.L.589,
10 No.205), known as the Unfair Insurance Practices Act, is amended
11 by adding definitions to read:

Section 3. Definitions.--As used in this act:

"Abuse" has the meaning given in 23 Pa.C.S. § 6102(a) (relating to definitions), notwithstanding the limited applicability provision in 23 Pa.C.S. § 6102(a)(5).

* * *

"Family or household members" has the meaning given in 23 Pa.C.S. § 6102 (a) (relating to definitions).

* * *

"Victim" means an individual who is or has been subjected to abuse.

"VICTIM OF ABUSE" MEANS AN INDIVIDUAL WHO IS A VICTIM OR AN INDIVIDUAL WHO SEEKS OR HAS SOUGHT MEDICAL OR PSYCHOLOGICAL TREATMENT FOR ABUSE, PROTECTION FROM ABUSE OR SHELTER FROM ABUSE.

Section 2. Section 5(a) of the act is amended by adding a paragraph to read:

Section 5. Unfair Methods of Competition and Unfair or Deceptive Acts or Practices Defined.--(a) "Unfair methods of competition" and "unfair or deceptive acts or practices" in the business of insurance means:

* * *

(14) (I) Taking any of the following actions because the insured or applicant for an insurance policy or insurance contract is a victim or because the insured or applicant for an insurance policy or insurance contract seeks or has sought medical or psychological treatment for abuse, protection from abuse or shelter from abuse: VICTIM OF ABUSE:

(i) (A) Denying, refusing to issue, refusing to renew, refusing to reissue or cancelling or terminating an insurance policy or insurance contract or restricting coverage under an

1 insurance policy or insurance contract.

2 ~~(ii)~~ (B) Adding a surcharge, applying a rating factor or <—
3 using any other underwriting standard or practice which
4 adversely takes into account a history or status of abuse.

5 ~~(iii)~~ (C) Excluding or limiting benefits or coverage under <—
6 an insurance policy or insurance contract for losses incurred.

7 (II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED AS: <—

8 (A) REQUIRING THAT A PERSON ISSUE, RENEW OR REISSUE AN
9 INSURANCE POLICY OR INSURANCE CONTRACT SOLELY BECAUSE THE
10 INSURED OR APPLICANT IS A VICTIM OF ABUSE; OR

11 (B) REQUIRING A PERSON TO PROVIDE BENEFITS OR COVERAGE FOR
12 LOSSES INCURRED SOLELY BECAUSE THE INSURED OR APPLICANT IS A
13 VICTIM OF ABUSE.

14 (III) A PERSON SHALL NOT BE IN VIOLATION OF THIS PARAGRAPH
15 IF ANY ACTION TAKEN IS PERMISSIBLE BY LAW AND APPLIES TO THE
16 SAME EXTENT TO ALL APPLICANTS AND INSUREDS WITHOUT REGARD TO
17 WHETHER AN APPLICANT OR INSURED IS A VICTIM OF ABUSE.

18 * * *

19 Section 3. This act shall take effect immediately.