

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1739 Session of  
1997

INTRODUCED BY GODSHALL, MICOZZIE, LYNCH, KENNEY, CLARK, HERSHEY,  
ROSS, HENNESSEY, CIVERA AND YOUNGBLOOD, AUGUST 14, 1997

REFERRED TO COMMITTEE ON INSURANCE, AUGUST 14, 1997

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," further providing for approval of  
12 policies and contracts.

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

15 Section 1. Section 354 first paragraph of the act of May 17,  
16 1921 (P.L.682, No.284), known as The Insurance Company Law of  
17 1921, amended August 23, 1961 (P.L.1079, No.487), is amended to  
18 read:

19 Section 354. Approval of Policies, Contracts, etc.;  
20 Prohibiting the Use Thereof Unless Approved; Judicial Review;  
21 Penalty.--It shall be unlawful for any insurance company,  
22 association, or exchange, including domestic mutual fire  
23 insurance companies, doing business in this Commonwealth, to

1 [issue]:

2     (1) Issue, sell, or dispose of any policy, contract, or  
3     certificate, covering life, health, accident, personal  
4     liability, fire, marine, title, and all forms of casualty  
5     insurance, or contracts pertaining to pure endowments or  
6     annuities, or any other contracts of insurance, or use  
7     applications, riders, or endorsements, in connection therewith,  
8     until the forms of the same have been submitted to and formally  
9     approved by the Insurance Commissioner, and copies filed in the  
10    Insurance Department, except riders and endorsements relating to  
11    the manner of distribution of benefits, and to the reservation  
12    of rights and benefits under any such policy, and used at the  
13    request of the individual policyholder, and except any forms  
14    which, in the opinion of the Insurance Commissioner, do not  
15    require his approval.

16    (2) Issue, sell, or deliver a policy of automobile  
17    insurance, to be used as an acceptable automobile insurance  
18    policy to satisfy continuous financial responsibility under 75  
19    Pa.C.S. Ch. 17 (relating to financial responsibility), unless  
20    said policy provides coverage for the operation and use of a  
21    temporary substitute motor vehicle. This coverage may be on  
22    either a primary or an excess basis but shall provide a level of  
23    coverage equal to the limits of liability purchased for owned  
24    motor vehicles covered by the policy. For purposes of this  
25    subparagraph, "temporary substitute motor vehicle" means any  
26    motor vehicle not owned by the operator while it is used as a  
27    temporary substitute for any owned motor vehicle covered by the  
28    operator's automobile insurance policy.

29       \* \* \*

30       Section 2. This act shall take effect immediately.