

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

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, SEPTEMBER 22, 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

1 insurance companies, doing business in this Commonwealth, to
2 [issue]:

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

17 (2) Issue, sell, or deliver a policy of automobile
18 insurance, to be used as an acceptable automobile insurance
19 policy to satisfy continuous financial responsibility under 75
20 Pa.C.S. Ch. 17 (relating to financial responsibility), unless
21 said policy provides THIRD-PARTY LIABILITY coverage for the <—
22 operation and use of a temporary substitute motor vehicle. This <—
23 coverage may be on PRIVATE PASSENGER MOTOR VEHICLE (I) NOT OWNED <—
24 BY THE NAMED INSURED OR A FAMILY MEMBER OF THE INSURED; (II)
25 USED WITH THE OWNER'S CONSENT; (III) AS A SUBSTITUTE FOR A
26 VEHICLE OWNED BY THE NAMED INSURED WHICH IS OUT OF USE DUE TO
27 BREAKDOWN, REPAIR, SERVICING, ACCIDENTAL DAMAGE OR LOSS; AND
28 (IV) FOR A PERIOD UNDER FIFTEEN (15) DAYS. THIS COVERAGE MAY BE
29 ON either a primary or an excess basis but shall provide a level
30 of THIRD-PARTY LIABILITY coverage equal to the limits of <—

1 liability AND SUBJECT TO THE POLICY PROVISIONS purchased for <—
2 owned motor vehicles covered by the policy. For purposes of this <—
3 subparagraph, "temporary substitute motor vehicle" means any
4 motor vehicle not owned by the operator while it is used as a
5 temporary substitute for any owned motor vehicle covered by the
6 operator's automobile insurance policy.

7 * * *

8 Section 2. This act shall take effect immediately.