

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 431 Session of
2005

INTRODUCED BY MAITLAND, LEACH, SAINATO, CALTAGIRONE AND SOLOBAY,
FEBRUARY 14, 2005

REFERRED TO COMMITTEE ON TRANSPORTATION, FEBRUARY 14, 2005

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, further defining "financial responsibility";
3 providing for adjustment of financial responsibility; and
4 further providing for additional coverage, for payments
5 sufficient to satisfy judgments, for notice of available
6 benefits and limits and for availability of uninsured,
7 underinsured, bodily injury liability and property damage
8 coverages and mandatory deductibles.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The definition of "financial responsibility" in
12 section 1702 of Title 75 of the Pennsylvania Consolidated
13 Statutes is amended to read:

14 § 1702. Definitions.

15 The following words and phrases when used in this chapter
16 shall have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

18 * * *

19 "Financial responsibility." The ability to respond in
20 damages for liability on account of accidents arising out of the

1 maintenance or use of a motor vehicle in the amount of [\$15,000]
2 \$50,000, as adjusted by the Insurance Department pursuant to
3 section 1706 (relating to adjustment of financial
4 responsibility), because of injury to one person in any one
5 accident, in the amount of [\$30,000] \$100,000, as adjusted by
6 the Insurance Department pursuant to section 1706, because of
7 injury to two or more persons in any one accident and in the
8 amount of [\$5,000] \$10,000 because of damage to property of
9 others in any one accident. The financial responsibility shall
10 be in a form acceptable to the Department of Transportation.

11 * * *

12 Section 2. Title 75 is amended by adding a section to read:
13 § 1706. Adjustment of financial responsibility.

14 The Insurance Department shall adjust the amounts of coverage
15 in the definition of "financial responsibility" under section
16 1702 (relating to definitions) which are applicable either to
17 injury to one person in any one accident or to injury to two or
18 more persons in any one accident. These amounts shall be
19 adjusted on July 1, 2006, and annually thereafter, by the rate
20 of change in the Consumer Price Index for Urban Wage Earners for
21 the immediately preceding calendar year, as reported by the
22 United States Department of Labor Bureau of Labor and
23 Statistics. The department shall publish the adjustments as a
24 notice in the Pennsylvania Bulletin.

25 Section 3. Sections 1754, 1774(a), 1791 and 1792(a) of Title
26 75 are amended to read:
27 § 1754. Additional coverage.

28 An eligible claimant who has no other source of applicable
29 uninsured motorist coverage and is otherwise entitled to recover
30 in an action in tort against a party who has failed to comply

1 with this chapter may recover for losses or damages suffered as
2 a result of the injury up to [\$15,000] \$50,000, as adjusted by
3 the Insurance Department pursuant to section 1706 (relating to
4 adjustment of financial responsibility), subject to an aggregate
5 limit for all claims arising out of any one motor vehicle
6 accident of [\$30,000] \$100,000, as adjusted by the Insurance
7 Department pursuant to section 1706. If a claimant recovers
8 medical benefits under section 1753 (relating to benefits
9 available), the amount of medical benefits recovered or
10 recoverable up to \$5,000 shall be set off against any amounts
11 recoverable in this section.

12 § 1774. Payments sufficient to satisfy judgments.

13 (a) General rule.--For the purpose of this chapter only,
14 judgments shall be deemed satisfied upon the occurrence of one
15 of the following:

16 (1) When [\$15,000] \$50,000, as adjusted by the Insurance
17 Department pursuant to section 1706 (relating to adjustment
18 of financial responsibility), has been credited upon any
19 judgment or judgments rendered in excess of that amount
20 because of injury to one person as the result of any one
21 accident.

22 (2) When [\$30,000] \$100,000, as adjusted by the
23 Insurance Department pursuant to section 1706, has been
24 credited upon any judgment or judgments rendered in excess of
25 that amount because of injury to two or more persons as the
26 result of any one accident.

27 (3) When [\$5,000] \$10,000 has been credited upon any
28 judgment or judgments rendered in excess of that amount
29 because of damage to property of others as the result of any
30 one accident.

1 * * *

2 § 1791. Notice of available benefits and limits.

3 It shall be presumed that the insured has been advised of the
4 benefits and limits available under this chapter provided the
5 following notice in bold print of at least ten-point type is
6 given to the applicant at the time of application for original
7 coverage, and no other notice or rejection shall be required:

8 IMPORTANT NOTICE

9 Insurance companies operating in the Commonwealth of
10 Pennsylvania are required by law to make available for
11 purchase the following benefits for you, your spouse or
12 other relatives or minors in your custody or in the
13 custody of your relatives, residing in your household,
14 occupants of your motor vehicle or persons struck by your
15 motor vehicle:

16 (1) Medical benefits, up to at least \$100,000.

17 (1.1) Extraordinary medical benefits, from \$100,000
18 to \$1,100,000 which may be offered in increments of
19 \$100,000.

20 (2) Income loss benefits, up to at least \$2,500 per
21 month up to a maximum benefit of at least \$50,000.

22 (3) Accidental death benefits, up to at least
23 \$25,000.

24 (4) Funeral benefits, \$2,500.

25 (5) As an alternative to paragraphs (1), (2), (3)
26 and (4), a combination benefit, up to at least \$177,500
27 of benefits in the aggregate or benefits payable up to
28 three years from the date of the accident, whichever
29 occurs first, subject to a limit on accidental death
30 benefit of up to \$25,000 and a limit on funeral benefit

1 of \$2,500, provided that nothing contained in this
2 subsection shall be construed to limit, reduce, modify or
3 change the provisions of section 1715(d) (relating to
4 availability of adequate limits).

5 (6) Uninsured, underinsured and bodily injury
6 liability coverage up to at least \$100,000 because of
7 injury to one person in any one accident and up to at
8 least \$300,000 because of injury to two or more persons
9 in any one accident or, at the option of the insurer, up
10 to at least \$300,000 in a single limit for these
11 coverages, except for policies issued under the Assigned
12 Risk Plan. Also, at least [\$5,000] \$10,000 for damage to
13 property of others in any one accident.

14 Additionally, insurers may offer higher benefit levels
15 than those enumerated above as well as additional
16 benefits. However, for certain benefits, an insured may
17 elect to purchase lower benefit levels than those
18 enumerated above.

19 Your signature on this notice or your payment of any
20 renewal premium evidences your actual knowledge and
21 understanding of the availability of these benefits and
22 limits as well as the benefits and limits you have
23 selected.

24 If you have any questions or you do not understand all of
25 the various options available to you, contact your agent
26 or company.

27 If you do not understand any of the provisions contained
28 in this notice, contact your agent or company before you
29 sign.

30 § 1792. Availability of uninsured, underinsured, bodily injury

1 liability and property damage coverages and mandatory
2 deductibles.

3 (a) Availability of coverages.--Except for policies issued
4 under Subchapter D (relating to Assigned Risk Plan), an insurer
5 issuing a policy of bodily injury liability coverage pursuant to
6 this chapter shall make available for purchase higher limits of
7 uninsured, underinsured and bodily injury liability coverages up
8 to at least \$100,000 because of injury to one person in any one
9 accident and up to at least \$300,000 because of injury to two or
10 more persons in any one accident or, at the option of the
11 insurer, up to at least \$300,000 in a single limit for these
12 coverages. Additionally, an insurer shall make available for
13 purchase at least [\$5,000] \$10,000 because of damage to property
14 of others in any one accident. However, the exclusion of
15 availability relating to the Assigned Risk Plan shall not apply
16 to damage to property of others in any one accident.

17 * * *

18 Section 4. This act shall take effect in 60 days.