

THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

## No. 2246

Session of  
1988

INTRODUCED BY PICCOLA, CHADWICK, JACKSON, BOYES, TRELLO, ARGALL,  
PHILLIPS, BOOK, BUNT, JADLOWIEC, DISTLER, DEMPSEY, RAYMOND,  
DORR, D. W. SNYDER, BARLEY, S. H. SMITH, CORNELL, LANGTRY,  
CLYMER, NOYE, B. SMITH, FOX, CARLSON, GEIST, HASAY, JOHNSON,  
HERMAN, BOWSER, MICOZZIE, FISCHER, LEH, E. Z. TAYLOR, SEMMEL,  
SERAFINI AND CIVERA, MARCH 16, 1988

REFERRED TO COMMITTEE ON INSURANCE, MARCH 16, 1988

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated  
2 Statutes, increasing medical benefits; repealing the  
3 Catastrophic Loss Trust Fund; and providing for transition  
4 and unfunded liability.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Section 1715(a) of Title 75 of the Pennsylvania  
8 Consolidated Statutes is amended to read:

9 § 1715. Availability of adequate limits.

10 (a) General rule.--An insurer shall make available for  
11 purchase first party benefits as follows:

12 (1) For medical benefits, up to at least [\$100,000]  
13 \$1,000,000.

14 (2) For income loss benefits, up to at least \$2,500 per  
15 month up to a maximum benefit of at least \$50,000.

16 (3) For accidental death benefits, up to at least  
17 \$25,000.

1           (4) For funeral benefits, \$2,500.

2           (5) For combination of benefits enumerated in paragraphs  
3       (1) through (4) and subject to a limit on the accidental  
4       death benefit of up to \$25,000 and a limit on the funeral  
5       benefit of \$2,500, up to at least \$277,500 of benefits in the  
6       aggregate or benefits payable up to three years from the date  
7       of the accident, whichever occurs first.

8       \* \* \*

9       Section 2. Subchapter F of Chapter 17 of Title 75 is  
10   repealed.

11       Section 3. (a) All individuals who suffer a catastrophic  
12   loss prior to October 1, 1988, shall continue to receive, or be  
13   eligible to receive, catastrophic loss benefits as if 75 Pa.C.S.  
14   Ch. 17 Subch. F (relating to catastrophic loss trust fund) had  
15   not been repealed. To ensure the administration and delivery of  
16   catastrophic loss benefits to eligible claimants, all powers and  
17   duties previously imposed upon the Catastrophic Loss Trust Fund  
18   Board under 75 Pa.C.S. Ch. 17 Subch. F are hereby transferred to  
19   the Insurance Commissioner. The Catastrophic Loss Trust Fund  
20   shall continue to exist, notwithstanding the repeal of section  
21   1764 (relating to Catastrophic Loss Trust Fund).

22       (b) (1) A surcharge is hereby imposed on each motor vehicle  
23   of the type required to maintain evidence of financial  
24   responsibility under 75 Pa.C.S. Ch. 17 Subch. F and §§ 1781  
25   (relating to notice of sanction for not evidencing financial  
26   responsibility) and 1787 (relating to self-insurance). The  
27   Insurance Commissioner shall annually determine the surcharge  
28   which shall be in an amount that is actuarially sound and  
29   justified, but in no event to exceed the sum of \$5 per  
30   registered vehicle per annual registration period. Such

1 surcharge determination shall be made based upon consultation  
2 with actuarial experts. The surcharge shall be sufficient to  
3 fully amortize the outstanding unfunded liabilities of the  
4 Catastrophic Loss Trust Fund accrued as of October 1, 1988,  
5 for the anticipated life mortality of the beneficiaries of  
6 the fund, but not to exceed \$5 per vehicle per annum.

7 (2) The surcharge shall be collected by the Department  
8 of Transportation annually as a surcharge item on the annual  
9 motor vehicle registration fee billing and shall be labeled  
10 "surcharge for unfunded Catastrophic Loss Trust Fund  
11 liability."

12 (3) The surcharge shall not be subject to any tax levied  
13 under any provision of State law and may not be utilized for  
14 any purpose other than paying expenses lawfully incurred in  
15 retiring the unfunded liabilities. When the unfunded  
16 liabilities are fully retired and amortized, the Department  
17 of Transportation shall cease the collection of the  
18 surcharge. Under no circumstances shall the surcharge exceed  
19 the sum of \$5 per vehicle per annum.

20 Section 4. This act shall take effect immediately.