

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 2297** Session of  
1976

INTRODUCED BY SCHMITT, HALVERSON, FINEMAN AND ZEARFOSS,  
APRIL 1, 1976

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, APRIL 1, 1976

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 the  
12 cancellation or termination of certain policies.

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

15 Section 1. Section 653, act of May 17, 1921 (P.L.682,  
16 No.284), known as "The Insurance Company Law of 1921," amended  
17 October 4, 1975 (No.100), is amended to read:

18 Section 653. Prohibited Policy Provisions.--No policy of  
19 insurance against liability under "The Workmen's Compensation  
20 Act of nineteen hundred and fifteen," and acts amendatory  
21 thereof or supplementary thereto, or under "The Pennsylvania  
22 Occupational Disease Act of nineteen hundred and thirty-nine,"  
23 and acts amendatory thereof or supplementary thereto, shall

1 contain any limitation of the liability of the insurer to an  
2 amount less than that for which the insured employer may become  
3 liable under such acts during the term of such insurance. No  
4 such policy or contract of insurance, nor any agreement to  
5 deliver such insurance, shall be issued except upon a form  
6 approved by the Insurance Commissioner as complying with all the  
7 terms and provisions of this act. But a policy may be issued to  
8 a self insurer, qualified under section three hundred five of  
9 article three of "The Workmen's Compensation Act of nineteen  
10 hundred and fifteen," and acts amendatory thereof or  
11 supplementary thereto, or under section three hundred five of  
12 article three of "The Pennsylvania Occupational Disease Act of  
13 nineteen hundred and thirty-nine," and acts amendatory thereof  
14 or supplementary thereto, providing for the payment of any  
15 stated loss in excess of ten thousand dollars falling upon such  
16 self insurer, under the terms of the said acts, by reason of any  
17 single accident or by reason of any single occurrence resulting  
18 in disability from occupational disease.

19 Except for nonpayment of premiums or during the first sixty  
20 days of a policy which is not a renewal policy, no policy of  
21 insurance issued or renewed against liability under the act of  
22 June 2, 1915 (P.L.736, No.338), known as "The Pennsylvania  
23 Workmen's Compensation Act," and acts amendatory thereof or  
24 supplementary thereto; or under the act of June 21, 1939  
25 (P.L.566, No.284), known as "The Pennsylvania Occupational  
26 Disease Act," and acts amendatory thereof or supplementary  
27 thereto; or under the Federal Coal Mine Health and Safety Act of  
28 1969, as amended, Pub.L.91-173, December 30, 1969, 83 Stat. 742  
29 et seq.; or insuring an employer against liability for all sums  
30 such employer shall become legally obligated to pay any employe

1 of his as damages because of bodily injury by accident or  
2 disease, including death at any time resulting therefrom,  
3 sustained by such employe arising out of and in the course of  
4 his employment, may be cancelled or terminated by an insurer  
5 during the term of the policy. An insurer may cancel a policy at  
6 any time for nonpayment of premiums or, during the first sixty  
7 days of a policy which is not a renewal policy for any reason,  
8 by giving to the insured a ten days' written notice of  
9 cancellation.

10 Section 2. This act shall take effect immediately.