

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2743 Session of
2002

INTRODUCED BY ARMSTRONG, BARRAR, BELFANTI, BISHOP, BROWNE,
CAPPELLI, CREIGHTON, DeLUCA, GEORGE, HARHAI, HERSHEY, HORSEY,
HUTCHINSON, MAITLAND, MANDERINO, McILHATTAN, NICKOL, SAYLOR,
SHANER, STABACK, STEELMAN, SURRA, J. TAYLOR, TIGUE, WALKO,
WASHINGTON, YOUNGBLOOD AND MYERS, JUNE 25, 2002

REFERRED TO COMMITTEE ON INSURANCE, JUNE 25, 2002

AN ACT

1 Amending the act of July 22, 1974 (P.L.589, No.205), entitled
2 "An act relating to unfair insurance practices; prohibiting
3 unfair methods of competition and unfair or deceptive acts
4 and practices; and prescribing remedies and penalties,"
5 further providing for unfair acts.

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

8 Section 1. Section 5(a) of the act of July 22, 1974
9 (P.L.589, No.205), known as the Unfair Insurance Practices Act,
10 is amended by adding a paragraph to read:

11 Section 5. Unfair Methods of Competition and Unfair or
12 Deceptive Acts or Practices Defined.--(a) "Unfair methods of
13 competition" and "unfair or deceptive acts or practices" in the
14 business of insurance means:

15 * * *

16 (15) Taking any of the following actions because the insured
17 or applicant for an insurance policy or insurance contract has a
18 credit rating unsatisfactory to the insurer:

1 (i) Denying, refusing to issue, refusing to renew, refusing
2 to reissue or cancelling or terminating an insurance policy or
3 insurance contract or restricting coverage under an insurance
4 policy or insurance contract.

5 (ii) Adding a surcharge, applying a rating factor or using
6 any other underwriting standard or practice for new applicants
7 or current insureds which takes into account a credit history.
8 This subparagraph does not apply to the extension of credit on
9 the payment of premiums.

10 * * *

11 Section 2. The addition of section 5(a)(15) of the act shall
12 apply to insurance policies and contracts of insurance issued or
13 renewed on or after the effective date of this act.

14 Section 3. This act shall take effect in 60 days.