

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 2811** Session of  
1978

INTRODUCED BY A. K. HUTCHINSON, PETRARCA AND MANDERINO,  
SEPTEMBER 25, 1978

REFERRED TO COMMITTEE ON INSURANCE, SEPTEMBER 25, 1978

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 providing for certain interest payments.

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

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

11 Section 11.1. Interest Payments.--Any insurer who is found  
12 to have committed any of the unfair claim settlement or  
13 compromise practices enumerated in section 5(a)(10) shall  
14 subject to the provisions of this section in addition to any  
15 other penalties or remedies for the insured provided in this or  
16 any other act. If the unfair practice results in a monetary loss  
17 to the insured because of a delay in receiving his lawful  
18 benefits under the policy of insurance, the insurer shall pay  
19 the insured interest at the rate of one and one-half percent per

1 month on the amount found to be wrongfully withheld. A  
2 determination if this section is applicable shall be made  
3 pursuant to the procedure established in section 8.

4     Section 2. This act shall take effect in 60 days.