

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 69

Session of
1971

INTRODUCED BY MR. MELTON, MRS. ANDERSON, MESSRS. RITTER AND
MILLER, JANUARY 25, 1971

AS AMENDED ON THIRD READING, IN SENATE, SEPTEMBER 26, 1972

AN ACT

1 Amending the act of May 17, 1921 (P.L.789), entitled, as
2 amended, "An act relating to insurance; establishing an
3 insurance department; and amending, revising, and
4 consolidating the law relating to the licensing,
5 qualification, regulation, examination, suspension, and
6 dissolution of insurance companies, Lloyds associations,
7 reciprocal and inter-insurance exchanges, and certain
8 societies and orders, the examination and regulation of fire
9 insurance rating bureaus, and the licensing and regulation of
10 insurance agents and brokers; the service of legal process
11 upon foreign insurance companies, associations or exchanges;
12 providing penalties, and repealing existing laws," ~~reducing~~ <—
13 ~~certain age requirements and conforming certain language to~~
14 ~~existing law.~~ PROVIDING FOR A REPARATION SYSTEM FOR PERSONS <—
15 INJURED IN MOTOR VEHICLE ACCIDENTS; REQUIRING INSURANCE FOR
16 ALL MOTOR VEHICLES REQUIRED TO BE REGISTERED IN THE
17 COMMONWEALTH OF PENNSYLVANIA; DEFINING THE ELEMENTS OF
18 COMPENSABLE DAMAGE IN MOTOR VEHICLE ACCIDENT CASES; MODIFYING
19 THE COLLATERAL SOURCE RULE AS APPLIED TO MOTOR VEHICLE
20 ACCIDENT CASES AND ESTABLISHING AN ASSIGNED CLAIMS PLAN.

21 The General Assembly of the Commonwealth of Pennsylvania
22 hereby enacts as follows:

23 Section 1. ~~Subsection (a) of section 603, act~~ THE ACT of May <—
24 17, 1921 (P.L.789), known as "The Insurance Department Act of
25 one thousand nine hundred and twenty-one," ~~amended August 21,~~ <—
26 ~~1961 (P.L.1018), is amended~~ IS AMENDED BY ADDING AN ARTICLE to <—

1 read:

2 Section 603. ~~Agent's Licenses. (a) The Insurance~~ <—

3 ~~Commissioner may issue, upon certification as aforesaid by any~~
4 ~~company, association, or exchange, authorized by law to transact~~
5 ~~business within this Commonwealth, an agent's license to any~~
6 ~~person of at least twenty one years of age except that a license~~
7 ~~as a life insurance agent may be issued to any person of at~~
8 ~~least eighteen years of age and to any copartnership or~~
9 ~~corporation. No license as agent shall be granted to any~~
10 ~~corporation unless by provisions of its charter it is authorized~~
11 ~~to engage in the business of insurance or real estate, and~~
12 ~~unless individual licenses are also secured for each active~~
13 ~~officer of such corporation; and no license shall be granted to~~
14 ~~a copartnership or firm unless individual licenses are also~~
15 ~~secured for each active member of such copartnership or firm.~~
16 ~~Before any such license is granted, the applicant shall first~~
17 ~~make answer, in writing and under oath, to interrogatories on~~
18 ~~forms and supplements such as the Insurance Commissioner shall~~
19 ~~prepare and submit, which answers shall be vouched for by~~
20 ~~indorsement of the company, association, or exchange interested,~~
21 ~~and to the effect that the applicant is of good business~~
22 ~~reputation, and of experience in underwriting, other than~~
23 ~~soliciting, and is worthy of a license: Provided, That any~~
24 ~~applicant who shall have held, for any period during the five~~
25 ~~years immediately preceding the application, a license to~~
26 ~~transact, as agent, any class or kind of insurance business for~~
27 ~~any company, association, or exchange, authorized to transact~~
28 ~~business within this Commonwealth, shall be entitled, upon~~
29 ~~proper application, to receive a license to transact, as agent,~~
30 ~~the same class or kind of insurance business for any other~~

~~1 company, association, or exchange, so authorized to transact
2 business, without the necessity of submitting to an examination.
3 When the Insurance Commissioner is satisfied that the applicant
4 is worthy of license, and that he is reasonably familiar with
5 provisions of the insurance law of this Commonwealth, he shall
6 issue a license stating that the company, association, or
7 exchange, represented by the agent, has complied with the
8 requirements of law and has been authorized by the Insurance
9 Commissioner to transact business within this Commonwealth, and
10 that the agent has been duly appointed by the company,
11 association, or exchange named in the license. Licenses of life
12 insurance agents shall expire annually at midnight of March
13 thirty first, licenses of fire insurance agents shall expire
14 annually at midnight of September thirtieth, and the licenses of
15 casualty and health and accident insurance agents shall expire
16 annually at midnight of December thirty first, unless sooner
17 terminated as the result of severance of business relations
18 between the company, association, or exchange and the agent, or
19 unless revoked by the Insurance Commissioner for cause. Licenses
20 for casualty insurance agents issued to expire at midnight
21 November thirtieth, one thousand nine hundred forty nine, are
22 hereby extended until midnight December thirty first, one
23 thousand nine hundred forty nine. The department shall collect
24 an additional fee for each such license extended at the rate of
25 one twelfth of the annual rate, as fixed by this act, for each
26 additional month that the term of such licenses are extended.
27 Any person whose license is revoked may appeal to the [court of
28 common pleas of Dauphin County] Commonwealth Court within thirty
29 days of the date of receipt, by registered mail, of a notice of
30 the fact of such revocation. The provisions of this section~~

~~shall apply to domestic mutual fire insurance companies, but no agent of a domestic mutual fire insurance company acting or authorized to act as such on the effective date of this act shall be required to take an examination for licensure.~~

~~* * *~~

ARTICLE VIII

PENNSYLVANIA MOTORISTS COMPENSATION PLAN

SECTION 801. LEGISLATIVE PURPOSE.--THE PURPOSES OF THIS ACT ARE:

(A) TO PROVIDE PROMPT PAYMENT OF BENEFITS ON ACCOUNT OF BASIC ECONOMIC LOSS TO VICTIMS OF MOTOR VEHICLE ACCIDENTS WITHIN THE COMMONWEALTH WITHOUT REGARD TO FAULT BY REQUIRING THE OWNERS OF ALL MOTOR VEHICLES REQUIRED TO BE REGISTERED IN THE COMMONWEALTH TO PROCURE FIRST PARTY INSURANCE OR TO PROVIDE ITS EQUIVALENT AND BY PROVIDING AN ASSIGNED CLAIMS PLAN FOR THE BENEFIT OF PERSONS INJURED IN MOTOR VEHICLE ACCIDENTS IN PENNSYLVANIA IN THE ABSENCE OF INSURANCE.

(B) TO REQUIRE OWNERS OF MOTOR VEHICLES REQUIRED TO BE REGISTERED WITHIN THIS COMMONWEALTH TO MAINTAIN INSURANCE AGAINST LOSS FROM LIABILITY IMPOSED BY LAW FOR DAMAGE ARISING OUT OF THE OWNERSHIP, MAINTENANCE OR USE OF MOTOR VEHICLES.

(C) TO REDEFINE THE RULES RESPECTING DAMAGES RECOVERABLE ON ACCOUNT OF BODILY INJURY ARISING OUT OF THE OPERATION, MAINTENANCE, OR USE OF A MOTOR VEHICLE SO AS TO PERMIT RECOVERY FOR PAIN, SUFFERING AND OTHER NONPECUNIARY DAMAGES ONLY IN THOSE CASES WHERE, BECAUSE OF SERIOUS INJURY, THEIR DETERMINATION IS REASONABLE AND APPROPRIATE AND THE SOCIETAL COSTS ENGENDERED ARE NOT DISPROPORTIONATE.

(D) TO REDUCE COURT CONGESTION AND TO RELIEVE COURTS OF THE PRESENT BURDEN OF HANDLING MOTOR VEHICLE ACCIDENT LITIGATION IN

1 NONSERIOUS CASES.

2 (E) TO CREATE AN EFFICIENT AND WELL REGULATED MOTOR VEHICLE
3 INSURANCE SYSTEM AND TO FOSTER THE CONTINUED AVAILABILITY OF
4 MOTOR VEHICLE INSURANCE AT REASONABLE RATES.

5 SECTION 802. DEFINITIONS.--AS USED IN THIS ARTICLE:

6 (1) "EARNINGS" MEANS

7 (I) SALARY, WAGES, TIPS, COMMISSIONS, PROFESSIONAL FEES;

8 (II) NET PROFIT FROM TANGIBLE GOODS OR PRODUCTS OF ECONOMIC
9 VALUE PRODUCED IN INDIVIDUALLY OWNED BUSINESSES OR FARMS OR THE
10 REASONABLE VALUE OF THE SERVICES NECESSARY TO PRODUCE THE GOODS
11 OR PRODUCTS; AND

12 (III) OTHER EARNINGS DERIVED FROM THE PERFORMANCE OF WORK.

13 (2) "INCOME PRODUCER" MEANS A PERSON WHO BUT FOR THE MOTOR
14 VEHICLE ACCIDENT CAUSING INJURY OR DEATH WOULD HAVE BEEN IN AN
15 OCCUPATIONAL STATUS IN WHICH HE WAS PRODUCING EARNINGS.

16 (3) "INSURANCE" MEANS THE INSURANCE REQUIRED BY THIS ACT TO
17 BE PROVIDED WITH RESPECT TO ANY MOTOR VEHICLE:

18 (I) UNDER A POLICY ISSUED BY AN INSURER; OR

19 (II) UNDER ANY OTHER METHOD APPROVED BY THE DEPARTMENT OF
20 TRANSPORTATION OR THE PUBLIC UTILITY COMMISSION AS AFFORDING
21 SECURITY EQUIVALENT TO THAT AFFORDED BY A POLICY OF INSURANCE,
22 PROVIDED PROOF OF SECURITY IS FILED AND CONTINUOUSLY MAINTAINED
23 WITH THE DEPARTMENT OF REVENUE OR THE PUBLIC UTILITY COMMISSION
24 THROUGHOUT THE REGISTRATION PERIOD. THE PERSON FILING SECURITY
25 SHALL HAVE ALL OF THE OBLIGATIONS AND RIGHTS OF AN INSURER UNDER
26 THIS ACT.

27 ANY POLICY OF LIABILITY INSURANCE COVERING A MOTOR VEHICLE
28 REGISTERED IN THIS COMMONWEALTH OR ANY POLICY OF INSURANCE
29 PURPORTING TO SATISFY THE REQUIREMENTS OF THIS ACT SHALL BE
30 DEEMED TO PROVIDE INSURANCE AT LEAST AS EXTENSIVE AS THE MINIMUM

COVERAGES REQUIRED BY THIS ACT.

(4) "INSURER" MEANS ANY INSURANCE COMPANY, ASSOCIATION OR EXCHANGE WHICH IS AUTHORIZED TO WRITE AND IS ENGAGED IN WRITING WITHIN THIS COMMONWEALTH, ON A DIRECT BASIS, INSURANCE COVERAGES REQUIRED IN CLAUSES (A) AND (B) OF SECTION 803 OF THIS ACT.

(5) "INSURED MOTOR VEHICLE" MEANS ANY MOTOR VEHICLE WITH RESPECT TO WHICH THE INSURANCE SET FORTH IN CLAUSES (A) AND (B) OF SECTION 803 HEREOF IS IN EFFECT.

(6) "MOTOR VEHICLE" MEANS ANY VEHICLE DRIVEN OR DRAWN BY ELECTRICAL OR MECHANICAL POWER MANUFACTURED PRIMARILY FOR USE ON THE PUBLIC STREETS, ROADS AND HIGHWAYS, EXCEPT ANY VEHICLE OPERATED EXCLUSIVELY ON A RAIL OR RAILS.

(7) "MOTOR VEHICLE ACCIDENT" MEANS AN ACCIDENT ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF A MOTOR VEHICLE AS A VEHICLE; THE PHRASE DOES NOT INCLUDE AN ACCIDENT OCCURRING ON BUSINESS PREMISES IN THE COURSE OF THE BUSINESS OF REPAIRING, SERVICING OR OTHERWISE MAINTAINING MOTOR VEHICLES.

(8) "NAMED INSURED" MEANS A PERSON, IDENTIFIED IN A POLICY BY NAME AS THE INSURED UNDER THE POLICY.

(9) "OCCUPYING" MEANS TO BE IN OR UPON OR ENTERING INTO OR ALIGHTING FROM A MOTOR VEHICLE.

(10) "OWNER" MEANS THE PERSON IN WHOSE NAME THE MOTOR VEHICLE IS REGISTERED IN THIS COMMONWEALTH; AND IF NO REGISTRATION IS IN EFFECT AT THE TIME OF THE MOTOR VEHICLE ACCIDENT, THE TERM MEANS A PERSON, OTHER THAN A LIENHOLDER OR SECURED PARTY, HAVING THE PROPERTY IN OR TITLE TO A MOTOR VEHICLE, INCLUDING A PERSON ENTITLED TO THE USE AND POSSESSION OF A MOTOR VEHICLE SUBJECT TO A SECURITY INTEREST IN ANOTHER PERSON, BUT EXCLUDING A LESSEE UNDER A LEASE NOT INTENDED AS SECURITY.

1 (11) "PERSON" MEANS ANY INDIVIDUAL, PARTNERSHIP,
2 CORPORATION, ASSOCIATION, TRUST, SYNDICATE, OR OTHER ENTITY.

3 (12) "RELATIVE RESIDENT IN THE HOUSEHOLD" MEANS WITH RESPECT
4 TO AN INSURED ONE WHO IS RELATED TO THE INSURED BY BLOOD,
5 MARRIAGE OR ADOPTION WHO MAKES HIS HOME IN THE SAME FAMILY UNIT
6 EVEN THOUGH TEMPORARILY LIVING ELSEWHERE.

7 SECTION 803. OWNERS OF MOTOR VEHICLES REQUIRED TO MAINTAIN
8 INSURANCE.--THE OWNER OF A MOTOR VEHICLE REQUIRED TO BE
9 REGISTERED IN THIS COMMONWEALTH SHALL MAINTAIN IN EFFECT
10 CONTINUOUSLY THROUGHOUT THE REGISTRATION PERIOD, AND THE OWNER
11 OF A MOTOR VEHICLE WHO OPERATES IT WITHIN THIS COMMONWEALTH OR
12 PERMITS IT TO BE OPERATED WITHIN THIS COMMONWEALTH SHALL
13 MAINTAIN IN EFFECT CONTINUOUSLY DURING THE PERIOD OF OPERATION
14 WITHIN THIS COMMONWEALTH, INSURANCE PROVIDING:

15 (A) FOR THE PAYMENT OF SUMS WHICH THE OWNER AND ANY PERSON
16 OPERATING THE MOTOR VEHICLE WITH THE PERMISSION EXPRESS OR
17 IMPLIED OF THE OWNER SHALL BECOME LIABLE TO PAY AS DAMAGES
18 BECAUSE OF BODILY INJURY TO OR DEATH OF ANY PERSON OR
19 DESTRUCTION OF PROPERTY OF OTHERS ARISING OUT OF THE OWNERSHIP,
20 MAINTENANCE OR USE OF THE MOTOR VEHICLE WITHIN THE TERRITORIAL
21 LIMITS OF THE UNITED STATES OR CANADA IN THE AMOUNT REQUIRED
22 UNDER THE FINANCIAL RESPONSIBILITY LAWS OF ANY JURISDICTION
23 WHOSE LAW IS APPLICABLE TO THE OCCURRENCE AND, WITH RESPECT TO
24 ACCIDENTS OCCURRING WITHIN THE COMMONWEALTH, IN THE AMOUNT OF
25 TEN THOUSAND DOLLARS (\$10,000), BECAUSE OF BODILY INJURY TO OR
26 DEATH OF ANY ONE PERSON IN ANY ONE ACCIDENT AND, SUBJECT TO SAID
27 LIMIT FOR ANY ONE PERSON, UP TO AN AMOUNT OF TWENTY THOUSAND
28 DOLLARS (\$20,000), BECAUSE OF BODILY INJURY TO OR DEATH OF TWO
29 OR MORE PERSONS IN ANY ONE ACCIDENT, AND IN THE AMOUNT OF FIVE
30 THOUSAND DOLLARS (\$5,000), BECAUSE OF INJURY TO OR DESTRUCTION

1 OF PROPERTY IN ANY ONE ACCIDENT: PROVIDED, HOWEVER, THAT SAID
2 LIMITS SHALL NOT BE LESS THAN THE LIMITS OF LIABILITY REQUIRED
3 FOR THE SAME INSURANCE UNDER ARTICLE XIV OF THE ACT OF APRIL 29,
4 1959 (P.L.58), KNOWN AS "THE VEHICLE CODE," OR UNDER ANY
5 AMENDMENTS THEREOF.

6 (B) FOR THE PAYMENT OF BASIS ECONOMIC LOSS BENEFITS AS
7 REQUIRED BY SECTION 804 OF THIS ACT ON ACCOUNT OF:

8 (1) BODILY INJURY TO OR DEATH OF ANY PERSON AS THE RESULT OF
9 A MOTOR VEHICLE ACCIDENT OCCURRING WITHIN THIS COMMONWEALTH
10 INVOLVING THE MOTOR VEHICLE OTHER THAN BODILY INJURY TO OR DEATH
11 OF THE OCCUPANT OF ANOTHER MOTOR VEHICLE: PROVIDED, THAT A CLAIM
12 BY A PERSON WHO IS NOT AN OCCUPANT OF A MOTOR VEHICLE INVOLVED
13 IN THE ACCIDENT SHALL BE MADE FIRST AGAINST THE INSURER OF THE
14 VEHICLE WITH WHICH HE COMES INTO DIRECT PHYSICAL CONTACT AND
15 PROOF OF LOSS FILED AGAINST ANY INSURER LIABLE TO PAY BENEFITS
16 WITH RESPECT TO THE ACCIDENT SHALL CONSTITUTE AN ELECTION AND A
17 BAR TO ANY CLAIM FOR BASIC ECONOMIC LOSS BENEFITS AGAINST ANY
18 OTHER INSURER WITH RESPECT TO THE SAME ACCIDENT.

19 (2) BODILY INJURY TO OR DEATH OF

20 (I) THE NAMED INSURED OR ANY RELATIVE RESIDENT IN THE
21 HOUSEHOLD OF THE NAMED INSURED WHO IS NOT HIMSELF THE OWNER OF A
22 MOTOR VEHICLE WITH RESPECT TO WHICH INSURANCE IS REQUIRED UNDER
23 THIS ACT AS THE RESULT OF A MOTOR VEHICLE ACCIDENT OCCURRING
24 WITHIN THE COMMONWEALTH IN THE EVENT THERE IS NO INSURANCE AS
25 REQUIRED BY THIS SUBCLAUSE APPLICABLE TO THE INJURY OR NO
26 INSURANCE CAN BE IDENTIFIED;

27 (II) THE NAMED INSURED AND ANY RELATIVE RESIDENT IN THE
28 HOUSEHOLD OF THE NAMED INSURED WHO IS NOT HIMSELF THE OWNER OF A
29 MOTOR VEHICLE WITH RESPECT TO WHICH INSURANCE IS REQUIRED UNDER
30 THIS ACT AS THE RESULT OF A MOTOR VEHICLE ACCIDENT OCCURRING

1 OUTSIDE THE COMMONWEALTH; OR

2 (III) ANY OTHER PERSON INJURED WHILE OCCUPYING THE INSURED
3 MOTOR VEHICLE AS THE RESULT OF A MOTOR VEHICLE ACCIDENT
4 OCCURRING OUTSIDE THE COMMONWEALTH OF PENNSYLVANIA UNLESS THAT
5 PERSON IS HIMSELF THE OWNER OR A RESIDENT IN THE HOUSEHOLD OF
6 THE OWNER OF A MOTOR VEHICLE WITH RESPECT TO WHICH INSURANCE IS
7 REQUIRED UNDER THIS ACT: PROVIDED, HOWEVER, THAT ANY BENEFITS
8 PAYABLE UNDER THE FOREGOING PARAGRAPHS (II) AND (III) SHALL BE
9 REDUCED TO THE EXTENT OF ANY SIMILAR BENEFITS COLLECTIBLE WITH
10 RESPECT TO THE INJURY UNDER THE LAWS OF ANY OTHER STATE; AND NO
11 BENEFITS SHALL BE PAYABLE UNDER PARAGRAPHS (I) AND (II) WITH
12 RESPECT TO BODILY INJURY OF A NAMED INSURED OR OF A RELATIVE IN
13 THE HOUSEHOLD OF THE NAMED INSURED SUSTAINED WHILE OPERATING OR
14 OCCUPYING A MOTOR VEHICLE OWNED BY THE NAMED INSURED UNLESS SUCH
15 MOTOR VEHICLE IS AN INSURED MOTOR VEHICLE IN THE POLICY UNDER
16 WHICH BENEFITS ARE CLAIMED.

17 SECTION 804. POLICY PROVISIONS.--(A) INSURANCE REQUIRED BY
18 CLAUSE (B) OF SECTION 803 OF THIS ACT SHALL PROVIDE FOR THE
19 PAYMENT OF BASIC ECONOMIC LOSS BENEFITS, DEFINED AS:

20 (1) ALL REASONABLE EXPENSES NOT EXCEEDING FIFTY THOUSAND
21 DOLLARS (\$50,000) PER PERSON FOR NECESSARY MEDICAL, HOSPITAL,
22 AMBULANCE, SURGICAL, X-RAY, DENTAL AND PROSTHETIC SERVICES AND
23 SUPPLIES INCLUDING PHYSICAL AND OCCUPATIONAL REHABILITATION AND
24 PROFESSIONAL NURSING CARE BUT NOT INCLUDING THAT PORTION OF ANY
25 CHARGE FOR ACCOMMODATIONS IN ANY HOSPITAL, CONVALESCENT OR
26 NURSING HOME IN EXCESS OF THE REASONABLE AND CUSTOMARY CHARGE
27 FOR SEMI-PRIVATE ACCOMMODATIONS UNLESS INTENSIVE CARE OR OTHER
28 ACCOMMODATIONS ARE MEDICALLY REQUIRED.

29 (2) FOR EACH WEEK OF DISABILITY PRIOR TO DEATH EIGHTY-FIVE
30 PER CENT OF THE NET LOSS OF EARNINGS OF AN INCOME PRODUCER, AND

1 IN THE EVENT OF THE DEATH OF THE INCOME PRODUCER FOR EACH WEEK
2 FOLLOWING DEATH EIGHTY-FIVE PER CENT OF THE NET LOSS OF SUPPORT
3 TO DEPENDENT PERSONS, SUBJECT TO A WEEKLY LIMIT OF ONE HUNDRED
4 SEVENTY-FIVE DOLLARS (\$175) PER WEEK PAYABLE UNDER THIS
5 PARAGRAPH ON ACCOUNT OF DISABILITY OR DEATH AND SUBJECT TO AN
6 OVERALL COMBINED LIMIT PAYABLE ON ACCOUNT OF DISABILITY AND
7 DEATH OF ANY ONE PERSON OF NINE THOUSAND ONE HUNDRED DOLLARS
8 (\$9,100). "NET LOSS OF EARNINGS" SHALL BE THE WEEKLY EARNINGS
9 PRIOR TO DISABILITY REDUCED BY ANY EARNINGS OBTAINED OR
10 OBTAINABLE FROM WORK OR SUBSTITUTE WORK DURING THE PERIOD OF
11 DISABILITY. "DEPENDENT PERSON" FOR THE PURPOSES OF THIS
12 PARAGRAPH SHALL INCLUDE ONLY A HUSBAND, WIFE, CHILD OR PARENT OF
13 THE DECEASED WHO IMMEDIATELY PRIOR TO THE ACCIDENT CAUSING DEATH
14 WAS DEPENDENT FOR THIRTY-FIVE PER CENT OR MORE OF HIS SUPPORT
15 UPON THE EARNINGS OF THE DECEASED.

16 (3) THE EXPENSES REASONABLY INCURRED IN OBTAINING ORDINARY
17 AND NECESSARY SERVICES IN LIEU OF THOSE THAT THE INJURED PERSON
18 WOULD HAVE PERFORMED, NOT FOR INCOME, BUT FOR THE BENEFIT OF
19 HIMSELF OR HIS FAMILY, HAD HE NOT BEEN INJURED SUBJECT, HOWEVER,
20 TO A DAILY MAXIMUM OF TWENTY-FIVE DOLLARS (\$25), FOR AN
21 AGGREGATE PERIOD OF THREE HUNDRED SIXTY-FIVE DAYS.

22 (4) REASONABLE AND NECESSARY FUNERAL AND BURIAL EXPENSES NOT
23 EXCEEDING ONE THOUSAND DOLLARS (\$1,000).

24 (B) ECONOMIC LOSS BENEFITS HEREINABOVE PROVIDED ARE PAYABLE
25 TO OR FOR THE BENEFIT OF THE INJURED PERSON OR, WITH RESPECT TO
26 LOSSES AND EXPENSES REFERRED TO IN SUBCLAUSES (2), (3) AND (4)
27 OF CLAUSE (A) OF THIS SECTION, TO THE PERSON THAT INCURS THE
28 LOSS OR EXPENSE. IF AN INSURER IN GOOD FAITH PAYS BENEFITS OR
29 EXPENSES TO A PERSON IT BELIEVES IS ENTITLED TO PAYMENT, THE
30 PAYMENT SHALL DISCHARGE THE INSURER'S LIABILITY TO THE EXTENT OF

1 THE PAYMENT UNLESS THE INSURER HAS BEEN NOTIFIED IN WRITING OF
2 THE CLAIM OF SOME OTHER PERSON. IN THE EVENT OF THE DEATH OF AN
3 INJURED PERSON, IN THE ABSENCE OF A COURT ORDER DIRECTING
4 PAYMENTS, BENEFITS MAY BE PAID TO DEPENDENTS OF THE DECEASED
5 WITHOUT THE APPOINTMENT OF AN ADMINISTRATOR OR EXECUTOR.

6 BENEFITS SHALL BE OVERDUE IF NOT PAID WITHIN THIRTY DAYS
7 AFTER THE INSURER RECEIVES REASONABLE PROOF OF THE FACT AND
8 AMOUNT OF LOSS OR EXPENSE REALIZED, EXCEPT THAT AN INSURER MAY
9 ACCUMULATE CLAIMS FOR PERIODS NOT EXCEEDING ONE MONTH, AND
10 BENEFITS ARE NOT OVERDUE IF PAID WITHIN FIFTEEN DAYS AFTER THE
11 PERIOD OF ACCUMULATION. IF REASONABLE PROOF IS SUPPLIED AS TO
12 ONLY PART OF A CLAIM, AND THE PART TOTALS ONE HUNDRED DOLLARS
13 (\$100), OR MORE, THE PART IS OVERDUE IF NOT PAID WITHIN THE TIME
14 PROVIDED BY THIS SECTION. PAYMENTS MAY NOT BE ANTICIPATED OR
15 ASSIGNED EXCEPT THAT COVERED EXPENSES MAY BE PAID BY THE INSURER
16 DIRECTLY TO PERSONS SUPPLYING PRODUCTS, SERVICES OR
17 ACCOMMODATIONS TO THE CLAIMANT. OVERDUE PAYMENTS BEAR INTEREST
18 AT THE RATE OF EIGHTEEN PER CENT PER ANNUM.

19 (C) INSURANCE REQUIRED BY CLAUSE (B) OF SECTION 803 SHALL
20 NOT APPLY TO BODILY INJURY SUFFERED BY A PERSON WHILE
21 INTENTIONALLY CAUSING OR ATTEMPTING TO CAUSE INJURY TO HIMSELF
22 OR ANOTHER UNLESS THE ACT CAUSING INJURY IS FOR THE PURPOSE OF
23 AVERTING HARM TO HIMSELF OR ANOTHER PERSON. INSURANCE MAY BE
24 MADE SUBJECT TO ADDITIONAL LIMITATIONS EXCLUDING BENEFITS WITH
25 RESPECT TO BODILY INJURY ARISING OUT OF THE INJURED PERSON'S
26 OPERATION OR USE OF THE MOTOR VEHICLE:

27 (1) IN THE COURSE OF THE COMMISSION OF A FELONY OR IN AN
28 ATTEMPT TO ELUDE LAWFUL APPREHENSION OR ARREST;

29 (2) WHILE UNDER THE INFLUENCE OF ANY INTOXICATING LIQUOR OR
30 DRUG WHEN THE CONDITION WAS A PROXIMATE CAUSE OF THE INJURY;

1 (3) WITHOUT A VALID DRIVER'S LICENSE OR WHILE HIS DRIVER'S
2 LICENSE OR DRIVING PRIVILEGE HAS BEEN SUSPENDED OR REVOKED
3 UNLESS THE VIOLATION IS DUE TO DELAY OR MISTAKE IN THE
4 ADMINISTRATION OF ANY GOVERNMENTAL AUTHORITY;

5 (4) WHILE ENGAGING IN ANY PREARRANGED MOTOR VEHICLE RACE,
6 SPEED EXHIBITION OR ANY OTHER SPEED CONTEST INCLUDING THOSE
7 COMMONLY KNOWN AS "DRAG RACES"; OR

8 (5) WITH KNOWLEDGE THAT IT IS BEING OPERATED WITHOUT
9 PERMISSION, EXPRESS OR IMPLIED, OF THE OWNER.

10 (D) INSURANCE REQUIRED BY CLAUSE (B) OF SECTION 803 MAY BE
11 MADE SUBJECT TO CONDITIONS:

12 (1) PROVIDING THAT NO ACTION FOR THE RECOVERY OF BENEFITS
13 MAY BE COMMENCED MORE THAN ONE YEAR FROM THE DATE OF THE MOTOR
14 VEHICLE ACCIDENT CAUSING THE INJURY UNLESS WRITTEN NOTICE OF
15 INJURY HAS BEEN GIVEN TO THE INSURER, WITHIN THE YEAR, BY OR ON
16 BEHALF OF THE PERSON CLAIMING BENEFITS OR UNLESS THE INSURER HAS
17 PREVIOUSLY MADE PAYMENT OF BENEFITS FOR THE INJURY; AND
18 PROVIDING THAT IF NOTICE HAS BEEN GIVEN OR PAYMENT MADE, THE
19 ACTION MAY BE COMMENCED AT ANY TIME WITHIN A PERIOD OF ONE YEAR
20 AFTER THE MOST RECENT ALLOWABLE EXPENSE OR LOSS FOR WHICH
21 BENEFITS ARE PAYABLE HAVE BEEN INCURRED; AND PROVIDING THAT THE
22 CLAIMANT MAY NOT RECOVER BENEFITS FOR ANY PORTION OF THE LOSS
23 INCURRED MORE THAN ONE YEAR PRIOR TO THE DATE ACTION IS
24 COMMENCED.

25 (2) PROVIDING THAT BENEFITS, EITHER WITH RESPECT TO A CLAIM
26 FOR A LIMITED PERIOD OF TIME OR WITH RESPECT TO ALL FUTURE LOSS
27 ARISING FROM AN ACCIDENTAL BODILY INJURY, MAY BE DISCHARGED BY

28 (I) LUMP-SUM SETTLEMENT IF THE REASONABLY ANTICIPATED LOSS
29 WHICH IS THE SUBJECT OF THE SETTLEMENT DOES NOT EXCEED ONE
30 THOUSAND DOLLARS (\$1,000); OR (II) SETTLEMENT, IN CASE OF

1 REASONABLY ANTICIPATED LOSS OF LARGER SUMS, WITH JUDICIAL
2 APPROVAL UPON A FINDING THAT THE SETTLEMENT WILL CONTRIBUTE
3 SUBSTANTIALLY TO THE WELFARE OR REHABILITATION OF THE INJURED
4 PERSON OR HIS DEPENDENT.

5 (3) REQUIRING AS A CONDITION TO THE PAYMENT OF BENEFITS
6 REASONABLE PROOF OF CLAIM WHICH MAY INCLUDE A REQUIREMENT OF
7 PHYSICAL OR MENTAL EXAMINATION BY A PHYSICIAN OF THE PERSON
8 SUFFERING BODILY INJURY.

9 (4) PROVIDING, IF REQUESTED BY THE INSURED, FOR A DEDUCTIBLE
10 UP TO TWO HUNDRED FIFTY DOLLARS (\$250) PER PERSON APPLICABLE TO
11 BENEFITS UNDER SUBCLAUSE (1) OF CLAUSE (A) OF SECTION 804 WHICH
12 MAY BE PAYABLE ON ACCOUNT OF INJURY TO THE NAMED INSURED OR HIS
13 OR HER SPOUSE RESIDENT IN HIS HOUSEHOLD SUCH DEDUCTIBLE TO BE
14 PROVIDED BY INSURERS PURSUANT TO A PLAN FILED WITH AND APPROVED
15 BY THE INSURANCE COMMISSIONER.

16 (5) PROVIDING, IF REQUESTED BY THE NAMED INSURED, WITH
17 RESPECT TO BENEFITS PAYABLE UNDER SUBCLAUSE (2) OF CLAUSE (A) OF
18 SECTION 804 ON ACCOUNT OF INJURY TO THE NAMED INSURED OR HIS
19 SPOUSE RESIDENT IN HIS OR HER HOUSEHOLD FOR ANY ONE OR MORE OF
20 THE FOLLOWING LIMITATIONS APPROVED BY THE INSURANCE
21 COMMISSIONER: (I) A WAITING PERIOD OF TWO WEEKS FOLLOWING THE
22 ACCIDENT WHICH CAUSES INJURY BEFORE COMMENCEMENT OF ANY
23 ENTITLEMENT TO WEEKLY BENEFITS, (II) A REDUCTION IN THE WEEKLY
24 BENEFIT FOR LOSS OF EARNINGS TO SIXTY-FIVE PER CENT OF SUCH LOSS
25 ACCRUED AFTER THE WAITING PERIOD UP TO A MAXIMUM OF ONE HUNDRED
26 THIRTY DOLLARS (\$130) PER WEEK AND A REDUCTION IN THE WEEKLY
27 BENEFIT FOR LOSS OF SUPPORT TO SIXTY-FIVE PER CENT OF SUCH LOSS
28 ACCRUED AFTER THE WAITING PERIOD UP TO A MAXIMUM OF ONE HUNDRED
29 THIRTY DOLLARS (\$130) PER WEEK, AND (III) A REDUCTION IN THE
30 OVERALL COMBINED LIMIT ON ALL BENEFITS PAYABLE ON ACCOUNT OF

1 DISABILITY AND DEATH OF ANY ONE PERSON TO NOT LESS THAN SIX
2 THOUSAND SEVEN HUNDRED SIXTY DOLLARS (\$6,760) SUCH LIMITATIONS
3 TO BE PROVIDED BY INSURERS PURSUANT TO A PLAN FILED WITH AND
4 APPROVED BY THE INSURANCE COMMISSIONER.

5 SECTION 805. DUPLICATE BENEFITS.--(A) IN CALCULATING THE
6 AMOUNT OF THE BENEFITS PAYABLE UNDER CLAUSE (B) OF SECTION 803
7 OF THIS ACT, ALL BENEFITS A PERSON RECEIVES, OR IS ENTITLED TO
8 RECEIVE, BECAUSE OF INJURY FROM: (I) WORKMEN'S COMPENSATION,
9 (II) UNEMPLOYMENT COMPENSATION, (III) DISABILITY BENEFITS UNDER
10 THE FEDERAL OLD-AGE SURVIVORS AND DISABILITY BENEFITS INSURANCE
11 LAW, OR (IV) HOSPITAL INSURANCE BENEFITS FOR THE AGED OR
12 SUPPLEMENTARY MEDICAL INSURANCE BENEFITS FOR THE AGED UNDER THE
13 FEDERAL HEALTH INSURANCE FOR THE AGED ACT OF 1965 ARE HEREBY
14 SUBTRACTED: PROVIDED, THAT NO SUBTRACTION SHALL BE MADE FOR
15 BENEFITS DESCRIBED IN SUBSECTION (IV) OF THIS CLAUSE TO THE
16 EXTENT THAT A PERSON'S ENTITLEMENT TO SUCH BENEFITS IS BASED
17 UPON USE OF HIS SO-CALLED "LIFE-TIME RESERVE" OF BENEFITS DAYS.

18 (B) EVERY INSURANCE COMPANY OR OTHER ORGANIZATION (INCLUDING
19 ANY ORGANIZATION FORMED UNDER THE NONPROFIT HOSPITAL PLAN ACT OF
20 JUNE 21, 1937, (P.L. 1948)) AUTHORIZED TO TRANSACT OR
21 TRANSACTING AN INSURANCE OR PREPAID HEALTH CARE BUSINESS IN THIS
22 COMMONWEALTH WHICH ISSUES A POLICY OF INSURANCE OR A CONTRACT
23 PROVIDING INSURANCE BENEFITS OR PREPAID HEALTH CARE AS A RESULT
24 OF INJURY, EXCEPT LIFE INSURANCE BENEFITS AND BASIC ECONOMIC
25 LOSS BENEFITS UNDER THIS ACT, SHALL OFFER AT AN APPROPRIATELY
26 REDUCED PREMIUM OR CHARGE AN OPTION TO EXCLUDE BENEFITS AND
27 SERVICES TO THE EXTENT BASIC ECONOMIC LOSS BENEFITS ARE PAYABLE
28 UNDER THIS ACT. AN INSURANCE COMPANY OR ORGANIZATION (INCLUDING
29 ANY ORGANIZATION FORMED UNDER THE NONPROFIT HOSPITAL PLAN ACT OF
30 JUNE 21, 1937, (P.L.1948)) WHICH ISSUES AFTER THE EXPIRATION OF

1 ONE YEAR FROM THE EFFECTIVE DATE OF THIS ACT A GROUP POLICY OF
2 INSURANCE OR CONTRACT PROVIDING INSURANCE BENEFITS OR PREPAID
3 HEALTH CARE SERVICES AS A RESULT OF INJURY, EXCEPT LIFE
4 INSURANCE AND BASIC ECONOMIC LOSS BENEFITS UNDER THIS ACT, SHALL
5 NOT INCLUDE WITHIN THE BENEFITS OR SERVICES PROVIDED ANY
6 BENEFITS OR SERVICES WHICH DUPLICATE BASIC ECONOMIC LOSS
7 BENEFITS PAYABLE UNDER THIS ACT UNLESS THE POLICY OR CONTRACT
8 GIVES THE INSURER OR ORGANIZATION A RIGHT OF SUBROGATION TO THE
9 EXTENT BASIC ECONOMIC LOSS BENEFITS DUPLICATE BENEFITS PAID OR
10 HEALTH CARE SERVICES PROVIDED. THIS CLAUSE DOES NOT PRECLUDE THE
11 ISSUANCE OF A GROUP POLICY OF INSURANCE OR CONTRACT PROVIDING
12 BASIC ECONOMIC LOSS BENEFITS COMBINED WITH ADDITIONAL BENEFITS
13 OR INSURANCE COVERAGES.

14 SECTION 806. SUBROGATION; ARBITRATION.--(A) ANY INSURER
15 WHICH HAS PAID BENEFITS PURSUANT TO CLAUSE (B) OF SECTION 803
16 SHALL TO THE EXTENT OF ITS PAYMENTS AND ITS LIABILITY FOR FUTURE
17 PAYMENTS, UP TO A MAXIMUM OF TEN THOUSAND DOLLARS (\$10,000) IN
18 BENEFITS FOR INJURY TO OR DEATH TO ANY ONE PERSON AND TWENTY
19 THOUSAND DOLLARS (\$20,000) IN BENEFITS FOR INJURY TO OR DEATH OF
20 TWO OR MORE PERSONS AS THE RESULT OF ANY ONE ACCIDENT, BE
21 SUBROGATED TO THE RIGHTS OF THE INJURED OR DECEASED OR DEPENDENT
22 PERSON TO OR FOR WHOM BENEFITS ARE PAID AGAINST ANY OTHER
23 PERSON, INCLUDING THAT PERSON'S LIABILITY INSURER, FOR BREACH OF
24 DUTY OR OBLIGATION CAUSING THE INJURY OR DEATH. THE INJURED
25 PERSON AND PERSONS RECEIVING BENEFITS SHALL EXECUTE AND DELIVER
26 INSTRUMENTS AND PAPERS AND DO WHATEVER ELSE IS NECESSARY TO
27 SECURE SUCH RIGHTS. THE INJURED PERSON SHALL DO NOTHING AFTER
28 LOSS TO PREJUDICE SUCH RIGHTS.

29 (B) WHENEVER AN INSURER HAS A RIGHT OF SUBROGATION PURSUANT
30 TO CLAUSE (A) OF THIS SECTION, ANY RECOVERY IN TORT ATTRIBUTABLE

1 TO BENEFITS WHICH HAVE BEEN PAID SHALL BE PAID TO THE INSURER
2 AND ANY RECOVERY ATTRIBUTABLE TO THE INSURER'S LIABILITY FOR
3 FUTURE BENEFITS WILL BE PAID TO THE INSURER'S SUBROGEE AND WILL
4 BE CREDITED AGAINST ANY BENEFITS THEREAFTER ACCRUING.

5 (C) WHENEVER A SUBROGATION CLAIM IS MADE PURSUANT TO THIS
6 SECTION AGAINST A PERSON INSURED UNDER A POLICY OF MOTOR VEHICLE
7 LIABILITY INSURANCE ISSUED PURSUANT TO CLAUSE (A) OF SECTION 803
8 OF THIS ACT, ALL ISSUES ARISING BETWEEN INSURERS INCLUDING THE
9 ISSUE OF THE PERSON'S LEGAL LIABILITY TO PAY DAMAGES AND ALL
10 ISSUES ARISING UNDER THE INSURANCE CONTRACTS SHALL BE DETERMINED
11 BETWEEN SUCH INSURERS BY ARBITRATION IN ACCORDANCE WITH A PLAN
12 TO BE ESTABLISHED AMONG ALL INSURERS SUBJECT TO THIS ACT
13 APPROVED BY THE INSURANCE COMMISSIONER.

14 SECTION 807. INSURER'S ARBITRARY DENIAL OF CLAIMS.--IN ANY
15 SUIT BEFORE A COURT OF RECORD TO ENFORCE A CLAIM FOR ECONOMIC
16 LOSS BENEFITS AS DEFINED IN THIS ACT A PERSON MAY BE ALLOWED AN
17 AWARD OF A REASONABLE SUM FOR ATTORNEYS' FEES AND ALL REASONABLE
18 COSTS OF SUIT TO ENFORCE ANY CLAIM WHICH HAS BEEN DENIED BY AN
19 INSURER WITHOUT REASONABLE FOUNDATION.

20 SECTION 808. FRAUDULENT OR EXCESSIVE CLAIMS.--IN ANY SUIT
21 BEFORE A COURT OF RECORD TO ENFORCE A CLAIM FOR ECONOMIC LOSS
22 BENEFITS AS DEFINED IN THIS ACT A DEFENDANT MAY BE ALLOWED AN
23 AWARD OF A REASONABLE SUM FOR ATTORNEYS' FEES AND ALL REASONABLE
24 COSTS OF SUIT FOR ITS DEFENSE WHERE THE CLAIM WAS FRAUDULENT OR
25 SO EXCESSIVE AS TO HAVE NO REASONABLE FOUNDATION, AND THE
26 ATTORNEYS' FEES AND ALL REASONABLE COSTS OF SUIT SO AWARDED MAY
27 BE TREATED AS AN OFFSET AGAINST ANY BENEFITS DUE, OR TO BECOME
28 DUE, TO THE CLAIMANT OR MAY BE ENTERED AS A JUDGMENT AGAINST
29 HIM.

30 SECTION 809. DISCOVERY.--(A) UPON REQUEST OF AN INSURER OR

CLAIMANT, INFORMATION RELEVANT TO A CLAIM FOR BENEFITS AGAINST
THE INSURER UNDER CLAUSE (A) OF SECTION 803 OR SECTION 812 OF
THIS ACT SHALL BE DISCLOSED AS FOLLOWS:

(1) AN EMPLOYER SHALL FURNISH A STATEMENT OF THE WORK RECORD
AND EARNINGS OF AN EMPLOYEE UPON WHOSE INJURY THE CLAIM IS BASED.
THE STATEMENT SHALL COVER THE PERIOD SPECIFIED BY THE CLAIMANT
OR INSURER MAKING THE REQUEST AND MAY INCLUDE A REASONABLE
PERIOD BEFORE AND THE ENTIRE PERIOD AFTER THE INJURY.

(2) A PERSON UPON WHOSE INJURY CLAIM IS BASED SHALL DELIVER
TO THE INSURER EVERY WRITTEN REPORT AVAILABLE TO HIM CONCERNING
ANY MEDICAL TREATMENT, PREVIOUSLY OR THEREAFTER MADE, CONNECTED
TO THE INJURY, THE NAMES AND ADDRESSES OF PHYSICIANS AND MEDICAL
CARE FACILITIES RENDERING DIAGNOSES OR TREATMENT IN REGARD TO
THE INJURY OR TO A RELEVANT PAST INJURY, AND SHALL AUTHORIZE THE
INSURER TO INSPECT AND COPY RECORDS OF PHYSICIANS, HOSPITALS,
CLINICS OR OTHER MEDICAL INSTITUTIONS CONNECTED WITH THE INJURY.

(3) A PHYSICIAN, HOSPITAL, CLINIC OR OTHER MEDICAL
INSTITUTION FURNISHING SERVICES OR ACCOMMODATIONS TO AN INJURED
PERSON IN CONNECTION WITH A CONDITION ALLEGED TO BE CONNECTED
WITH AN INJURY UPON WHICH A CLAIM IS BASED, UPON AUTHORIZATION
OF THE INJURED PERSON, SHALL FURNISH A WRITTEN REPORT OF THE
HISTORY, CONDITION, DIAGNOSES, MEDICAL TESTS, TREATMENT, AND
DATES AND COSTS OF TREATMENT OF THE INJURED PERSON, AND PERMIT
INSPECTION AND COPYING OF RECORDS AS TO THE HISTORY, CONDITION,
TREATMENT, AND DATES AND COST OF TREATMENT.

(B) ANY PERSON OTHER THAN THE CLAIMANT PROVIDING INFORMATION
UNDER THIS SECTION MAY CHARGE THE PERSON REQUESTING THE
INFORMATION A REASONABLE AMOUNT FOR THE COST OF PROVIDING IT.

(C) IN CASE OF DISPUTE AS TO THE RIGHT OF A CLAIMANT OR
INSURER TO DISCOVER INFORMATION REQUIRED TO BE DISCLOSED, THE

1 CLAIMANT OR INSURER MAY PETITION THE COURT FOR AN ORDER FOR
2 DISCOVERY INCLUDING THE RIGHT TO TAKE WRITTEN OR ORAL
3 DEPOSITIONS. THE ORDER MAY BE MADE ONLY FOR GOOD CAUSE SHOWN AND
4 UPON NOTICE TO ALL PERSONS HAVING AN INTEREST AND IT SHALL
5 SPECIFY THE TIME, PLACE, MANNER, CONDITIONS AND SCOPE OF THE
6 DISCOVERY. THE COURT, IN ORDER TO PROTECT AGAINST ANNOYANCE,
7 EMBARRASSMENT, OR OPPRESSION, MAY ENTER AN ORDER REFUSING
8 DISCOVERY OR SPECIFYING CONDITIONS OF DISCOVERY AND ORDER
9 PAYMENT OF COSTS AND EXPENSES OF THE PROCEEDING, INCLUDING
10 REASONABLE ATTORNEYS' FEES.

11 SECTION 810. RULES RESPECTING DAMAGES RECOVERABLE IN MOTOR
12 VEHICLE CASES.--(A) IN AN ACTION FOR DAMAGES AGAINST AN OWNER,
13 OPERATOR, OCCUPANT OR OTHER PERSON LEGALLY RESPONSIBLE FOR THE
14 OPERATION, MAINTENANCE, OR USE OF A MOTOR VEHICLE, INCLUDING AN
15 ACTION FOR DAMAGES FOR WRONGFUL DEATH AND INCLUDING ANY ACTION
16 WHICH SURVIVES DEATH, NO PERSON MAY PLEAD OR INTRODUCE INTO
17 EVIDENCE AND NO DAMAGES SHALL BE RECOVERABLE ON ACCOUNT OF ANY
18 LOSS OR EXPENSE FOR WHICH BENEFITS ARE PAID OR PAYABLE UNDER
19 CLAUSE (B) OF SECTION 803 OR UNDER SECTION 812 OF THIS ACT OR
20 WHICH WOULD HAVE BEEN PAYABLE THEREUNDER BUT FOR (I) THE FAILURE
21 OF THE INJURED PERSON TO CLAIM SUCH BENEFITS, OR (II) THE
22 APPLICATION OF ANY DEDUCTIBLE OR REDUCED COVERAGE OPTION
23 PURCHASED BY THE INSURED, OR (III) AN EXCLUSION OF COVERAGE
24 UNDER EITHER CLAUSE (C) OF SECTION 804 OR CLAUSE (C) OF SECTION
25 812. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PRECLUDE
26 RECOVERY OF SUCH DAMAGES IN EITHER OF THE FOLLOWING CASES:

27 (1) AN ACTION BASED ON THE RIGHT TO REIMBURSEMENT OF AN
28 INSURER INSTITUTED OR MAINTAINED PURSUANT TO SECTION 806 OF THIS
29 ACT; OR

30 (2) AN ACTION IN CASES WHERE THE INJURED PARTY ESTABLISHES

1 THAT THE DEFENDANT FAILED TO PROVIDE THE COVERAGE FOR THE
2 BENEFIT OF THE INJURED PARTY AS REQUIRED BY THE PROVISIONS OF
3 SECTION 803 OF THIS ACT.

4 (B) NO DAMAGES FOR PAIN, SUFFERING, INCONVENIENCE, PHYSICAL
5 IMPAIRMENT, LOSS OF CONSORTIUM OR OTHER NONPECUNIARY LOSS SHALL
6 BE RECOVERABLE IN ANY ACTION AGAINST AN OWNER, OPERATOR,
7 OCCUPANT, OR OTHER PERSON LEGALLY RESPONSIBLE FOR THE OPERATION,
8 MAINTENANCE OR USE OF A MOTOR VEHICLE FOR INJURY SUSTAINED IN A
9 MOTOR VEHICLE ACCIDENT OCCURRING WITHIN THE COMMONWEALTH OF
10 PENNSYLVANIA OR AS TO WHICH THE LAW OF PENNSYLVANIA AS TO
11 DAMAGES IS APPLICABLE, UNLESS:

12 (1) MEDICAL TREATMENT EXPENSES, WHETHER OR NOT COVERED BY
13 INSURANCE REQUIRED BY CLAUSE (B) OF SECTION 803, EXCEED TWO
14 THOUSAND FIVE HUNDRED DOLLARS (\$2,500). FOR THE PURPOSES OF THIS
15 SECTION "MEDICAL TREATMENT EXPENSES" ARE DEFINED AS THE
16 REASONABLE VALUE OF SERVICES RENDERED FOR NECESSARY MEDICAL,
17 HOSPITAL, DENTAL, SURGICAL, AMBULANCE AND PROFESSIONAL NURSING
18 SERVICES, BUT EXCLUDING DIAGNOSTIC X-RAY SERVICE AND
19 REHABILITATION EXPENSES. SUCH MEDICAL TREATMENT EXPENSES MAY BE
20 PROVED IN PRE-TRIAL PROCEEDINGS CONDUCTED SOLELY FOR THE PURPOSE
21 OF ESTABLISHING THE RIGHT TO CLAIM UNDER THIS CLAUSE; OR

22 (2) BODILY INJURY RESULTS IN A PERMANENT SIGNIFICANT LOSS OF
23 AN IMPORTANT BODY FUNCTION: PROVIDED, HOWEVER, THAT THE LOSS
24 NEED NOT AFFECT EARNINGS OR EARNING POWER; OR

25 (3) BODILY INJURY RESULTS IN DISFIGUREMENT WHICH IS
26 PERMANENT, SEVERE AND IRREPARABLE.

27 SECTION 811. MINIMUM INSURANCE; CONDITIONS; EXCLUSIONS;
28 ADDITIONS.--THE COVERAGE DESCRIBED IN CLAUSES (A) AND (B) OF
29 SECTION 803 OF THIS ACT MAY BE MADE SUBJECT TO CONDITIONS AND
30 EXCLUSIONS CUSTOMARY TO THE FIELD OF CASUALTY INSURANCE AND NOT

INCONSISTENT WITH THE REQUIREMENTS OF THIS ACT. NOTHING IN THIS
ACT SHALL BE CONSTRUED TO PROHIBIT THE ISSUANCE OF INSURANCE
COVERAGES MORE EXTENSIVE THAN THE MINIMUM COVERAGES REQUIRED BY
CLAUSES (A) AND (B) OF SECTION 803 OF THIS ACT NOR TO REQUIRE
THE SEGREGATION OF SUCH MINIMUM COVERAGES FROM OTHER COVERAGES
IN THE SAME POLICY.

SECTION 812. ASSIGNED CLAIMS PLAN.--(A) INSURERS AUTHORIZED
IN THIS COMMONWEALTH TO WRITE INSURANCE REQUIRED BY CLAUSE (B)
OF SECTION 803 OF THIS ACT AND SELF-INSURERS PROVIDING SECURITY
IN LIEU OF INSURANCE SHALL, SUBJECT TO APPROVAL AND REGULATION
BY THE INSURANCE COMMISSIONER, ORGANIZE AND MAINTAIN AND SHALL
PARTICIPATE IN AN ASSIGNED CLAIMS BUREAU AND AN ASSIGNED CLAIMS
PLAN AND FORMULATE AND FROM TIME TO TIME AMEND RULES AND
REGULATIONS FOR THEIR OPERATION AND ASSESSMENT OF COSTS ON A
FAIR AND EQUITABLE BASIS CONSISTENT WITH THE PROVISIONS OF THIS
ACT. IN DEFAULT OF THE ORGANIZATION AND CONTINUED MAINTENANCE OF
AN ASSIGNED CLAIMS BUREAU AND ASSIGNED CLAIMS PLAN, THE
INSURANCE COMMISSIONER SHALL ORGANIZE AND MAINTAIN A BUREAU AND
PLAN.

(B) A CLAIM FOR THE BENEFITS DESCRIBED IN CLAUSE (B) OF
SECTION 803 OF THIS ACT MAY BE MADE TO THE ASSIGNED CLAIMS PLAN
ESTABLISHED PURSUANT TO THIS ACT ON ACCOUNT OF BODILY INJURY TO
ANY PERSON ARISING OUT OF A MOTOR VEHICLE ACCIDENT OCCURRING IN
THE COMMONWEALTH IF:

(1) NO INSURANCE IS APPLICABLE TO THE INJURY; OR
(2) NO INSURANCE APPLICABLE TO THE INJURY CAN BE IDENTIFIED;
OR

(3) THE ONLY IDENTIFIABLE INSURANCE APPLICABLE TO THE INJURY
IS, BECAUSE OF THE FINANCIAL INABILITY OF A SELF-INSURER TO
FULFILL ITS OBLIGATIONS, INADEQUATE TO PROVIDE BENEFITS UP TO

1 THE MAXIMUM PRESCRIBED. IN THE LATTER CASE THE INSURER OR SELF-
2 INSURER TO WHICH THE CLAIM IS ASSIGNED, OR THE BUREAU OF
3 ASSIGNED CLAIMS IF THE CLAIM IS ASSIGNED TO IT, IS ENTITLED TO
4 REIMBURSEMENT FROM THE DEFAULTING SELF-INSURER.

5 (C) NO PAYMENT UNDER THIS ASSIGNED CLAIMS PLAN MAY BE MADE
6 WITH RESPECT TO A BODILY INJURY TO A PERSON IF THE BODILY INJURY
7 ARISES OUT OF THE INJURED PERSON'S OPERATION OR USE OF A MOTOR
8 VEHICLE UNDER ANY OF THE CIRCUMSTANCES DESCRIBED IN CLAUSE (C)
9 OF SECTION 804 OF THIS ACT. NO PAYMENT UNDER THIS ASSIGNED CLAIM
10 PLAN SHALL BE MADE TO ANY PERSON OR HIS OR HER SPOUSE RESIDENT
11 IN HIS HOUSEHOLD IF AT THE TIME OF THE ACCIDENT HE IS THE OWNER
12 OR REGISTRANT OF A MOTOR VEHICLE REQUIRED BY THIS ACT TO BE AN
13 INSURED MOTOR VEHICLE.

14 (D) A PERSON CLAIMING THROUGH THE ASSIGNED CLAIMS PLAN SHALL
15 NOTIFY THE BUREAU OF HIS CLAIM WITHIN THE TIME THAT WOULD HAVE
16 BEEN ALLOWED FOR FILING AN ACTION FOR INSURANCE BENEFITS HAD
17 THERE BEEN IN EFFECT IDENTIFIABLE COVERAGE APPLICABLE TO THE
18 CLAIM. IF TIMELY ACTION FOR BENEFITS IS COMMENCED AGAINST A
19 SELF-INSURER WHICH, BECAUSE OF FINANCIAL INABILITY, IS UNABLE TO
20 FULFILL ITS OBLIGATION, A CLAIM THROUGH THE ASSIGNED CLAIMS PLAN
21 MAY BE MADE WITHIN A REASONABLE TIME AFTER DISCOVERY OF
22 FINANCIAL INABILITY. THE BUREAU SHALL PROMPTLY ASSIGN THE CLAIM
23 IN ACCORDANCE WITH THE PLAN AND NOTIFY THE CLAIMANT OF THE
24 IDENTITY AND ADDRESS OF THE INSURER OR SELF-INSURER TO WHICH THE
25 CLAIM IS ASSIGNED (OR OF THE BUREAU IF THE CLAIM IS ASSIGNED TO
26 IT). NO ACTION BY THE CLAIMANT SHALL BE COMMENCED LATER THAN
27 NINETY DAYS AFTER RECEIPT OF NOTICE OF THE ASSIGNMENT OR THE
28 LAST DATE ON WHICH THE ACTION COULD OTHERWISE HAVE BEEN
29 COMMENCED, WHICHEVER IS LATER.

30 (E) THE ASSIGNMENT OF CLAIMS SHALL BE MADE ACCORDING TO

1 RULES AND REGULATIONS THAT ASSURE FAIR ALLOCATION OF THE BURDEN
2 OF ASSIGNED CLAIMS AMONG INSURERS AND SELF-INSURERS DOING
3 BUSINESS IN THE COMMONWEALTH. INSURERS AND SELF-INSURERS TO WHOM
4 CLAIMS HAVE BEEN ASSIGNED OR THE BUREAU IF A CLAIM IS ASSIGNED
5 TO IT SHALL HAVE ALL RIGHTS AND OBLIGATIONS AS IF IT HAD ISSUED
6 A POLICY OF INSURANCE IN COMPLIANCE WITH CLAUSE (B) OF SECTION
7 803 OF THIS ACT AND SHALL THEREUPON BE ENTITLED TO REIMBURSEMENT
8 BY THE BUREAU FOR ITS PAYMENTS AND ESTABLISHED LOSS ADJUSTMENT
9 COSTS. THE INSURER OR SELF-INSURER TO WHOM A CLAIM IS ASSIGNED
10 OR THE BUREAU SHALL PRESERVE AND ENFORCE ALL RIGHTS TO INDEMNITY
11 OR REIMBURSEMENT AGAINST ANY INSURER, SELF-INSURER OR THIRD
12 PARTY LEGALLY OBLIGATED TO PAY THE CLAIM.

13 (F) LOSSES PAID, THE COST OF ADJUSTING LOSSES AND COSTS
14 INCURRED IN THE OPERATION OF THE BUREAU SHALL BE ASSESSED
15 AGAINST INSURERS OR SELF-INSURERS ACCORDING TO RULES AND
16 REGULATIONS THAT ASSURE FAIR ALLOCATION AMONG INSURERS OR SELF-
17 INSURERS.

18 (G) ALL REASONABLE COSTS INCURRED IN THE HANDLING AND
19 DISPOSITION OF ASSIGNED CLAIMS (INCLUDING AMOUNTS PAID PURSUANT
20 TO ASSESSMENTS UNDER CLAUSE (F) HEREOF) SHALL BE TAKEN INTO
21 ACCOUNT IN MAKING AND REGULATING RATES FOR INSURANCE UNDER
22 CLAUSE (B) OF SECTION 803 OF THIS ACT.

23 (H) THE INSURER OR SELF-INSURER TO WHOM A CLAIM IS ASSIGNED
24 AND WHO PAYS BENEFITS FOR BODILY INJURY RESULTING FROM A MOTOR
25 VEHICLE ACCIDENT INVOLVING A MOTOR VEHICLE WHICH IS NOT AN
26 INSURED MOTOR VEHICLE TO A PERSON OCCUPYING OR BEING STRUCK BY
27 AN UNINSURED MOTOR VEHICLE SHALL BE ENTITLED TO RECOVER ALL
28 BENEFITS PAID AND APPROPRIATE LOSS ADJUSTMENT COSTS INCURRED
29 FROM THE OWNER OR REGISTRANT OF THE MOTOR VEHICLE OR FROM HIS
30 ESTATE IF THE FAILURE TO PROVIDE INSURANCE CONSTITUTED A

1 VIOLATION OF THIS ACT. THE FAILURE OF SUCH PERSON TO MAKE
2 PAYMENT WITHIN THIRTY DAYS AFTER DEMAND SHALL BE GROUNDS FOR
3 SUSPENSION OR REVOCATION OF HIS MOTOR VEHICLE REGISTRATION AND
4 OPERATOR'S LICENSE WHICH SUSPENSION SHALL CONTINUE UNTIL SUCH
5 TIME AS THE INSURER OR SELF-INSURER RECEIVES PAYMENT IN FULL.

6 AN UNINSURED MOTOR VEHICLE FOR THE PURPOSES OF THIS CLAUSE IS
7 A MOTOR VEHICLE WITH RESPECT TO WHICH SECURITY AS REQUIRED BY
8 CLAUSE (B) OF SECTION 805 OF THIS ACT IS NOT IN EFFECT AT THE
9 TIME OF THE ACCIDENT.

10 SECTION 813. PENALTY.--ANY OWNER OF A MOTOR VEHICLE WHO
11 OPERATES HIS MOTOR VEHICLE OR PERMITS IT TO BE OPERATED UPON A
12 PUBLIC HIGHWAY IN THIS COMMONWEALTH WITHOUT HAVING IN FULL FORCE
13 AND EFFECT THE MINIMUM INSURANCE COVERAGE REQUIRED BY THIS ACT
14 IS GUILTY OF A MISDEMEANOR. ANY OTHER PERSON WHO OPERATES A
15 MOTOR VEHICLE UPON A PUBLIC HIGHWAY IN THIS COMMONWEALTH WITH
16 THE KNOWLEDGE THAT THE OWNER DOES NOT HAVE MINIMUM INSURANCE IN
17 FULL FORCE AND EFFECT IS GUILTY OF A MISDEMEANOR. ANY PERSON
18 CONVICTED OF A MISDEMEANOR UNDER THE TERMS OF THIS SECTION SHALL
19 HAVE HIS LICENSE AND, IF AN OWNER, HIS REGISTRATION REVOKED AND
20 MAY BE FINED NOT LESS THAN ONE HUNDRED DOLLARS (\$100) NOR MORE
21 THAN ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500) OR MAY BE
22 IMPRISONED FOR NOT MORE THAN ONE YEAR OR BOTH. THE REVOCATION OF
23 LICENSE OR MOTOR VEHICLE REGISTRATION PURSUANT TO THIS SECTION
24 SHALL CONTINUE FOR A PERIOD OF SIX MONTHS AND UNTIL EVIDENCE OF
25 THE INSURANCE REQUIRED BY THIS ACT IS SUPPLIED, AND, IF
26 APPLICABLE, THE PROVISIONS OF ARTICLE XIV OF THE VEHICLE CODE
27 HAVE BEEN FULLY SATISFIED.

28 SECTION 814. SEVERABILITY.--IF ANY PROVISION OF THIS ACT OR
29 THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS HELD
30 INVALID, SUCH INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR

1 APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN EFFECT WITHOUT THE
2 INVALID APPLICATION OR PROVISION, AND TO THIS END THE PROVISIONS
3 OF THIS ACT ARE DECLARED TO BE SEVERABLE. HOWEVER, CLAUSE (B) OF
4 SECTION 810 OF THIS ACT IS EXPRESSLY MADE INSEVERABLE.

5 SECTION 815. FILING OF RATES AND FORMS.--ALL INSURERS
6 LICENSED IN THIS COMMONWEALTH AND DESIRING TO QUALIFY TO WRITE
7 INSURANCE APPLICABLE TO MOTOR VEHICLE ACCIDENTS SUBSEQUENT TO
8 THE EFFECTIVE DATE OF THIS ACT, SHALL, AS A CONDITION OF
9 QUALIFICATIONS, PREPARE AND FILE POLICY FORMS AND INSURANCE
10 RATES FOR COVERAGES EFFECTED BY THIS ACT. SUCH POLICY FORMS AND
11 RATES SHALL BE FILED WITH THE OFFICE OF THE INSURANCE
12 COMMISSIONER OF THIS COMMONWEALTH AT LEAST FOUR MONTHS PRIOR TO
13 THE EFFECTIVE DATE OF THIS ACT.

14 SECTION 816. AGREEMENTS FOR APPORTIONMENT OF AUTOMOBILE
15 INSURANCE; MANDATORY PARTICIPATION.--EACH COMPANY AUTHORIZED TO
16 WRITE ANY KIND OR KINDS OF AUTOMOBILE INSURANCE WITH RESPECT TO
17 WHICH THERE HAS BEEN AN AGREEMENT SUBMITTED TO AND APPROVED BY
18 THE COMMISSIONER FOR THE APPORTIONMENT AMONG INSURERS
19 TRANSACTING SUCH INSURANCE OF APPLICANTS WHO ARE IN GOOD FAITH
20 ENTITLED TO BUT ARE UNABLE TO PROCURE SUCH INSURANCE THROUGH
21 ORDINARY METHODS SHALL, AS A CONDITION OF OBTAINING AND
22 CONTINUING ITS AUTHORITY TO TRANSACT ANY SUCH KIND OR KINDS OF
23 AUTOMOBILE INSURANCE, SUBSCRIBE TO SUCH AGREEMENTS AND SHALL
24 PARTICIPATE IN SUCH AGREEMENTS IN ACCORDANCE WITH AND TO THE
25 EXTENT REQUIRED BY ITS PROVISIONS.

26 SECTION 817. INSURER'S CERTIFICATION RESPECTING OUT-OF-STATE
27 INSUREDS.--EVERY INSURER AUTHORIZED TO WRITE MOTOR VEHICLE
28 INSURANCE IN THIS COMMONWEALTH SHALL FILE WITH THE COMMISSIONER
29 AND MAINTAIN A WRITTEN CERTIFICATION AND SHALL BE CONCLUSIVELY
30 PRESUMED TO HAVE AGREED AS A CONDITION OF RECEIVING SUCH

1 AUTHORIZATION THAT ITS INSURED WITH RESPECT TO MOTOR VEHICLE
2 INSURANCE, WHEREVER SUCH INSURANCE WAS ISSUED, WHO ARE INVOLVED
3 IN A MOTOR VEHICLE ACCIDENT OCCURRING WITHIN THIS COMMONWEALTH
4 SHALL BE ACCORDED BENEFITS AND COVERAGE EQUIVALENT TO THAT
5 REQUIRED IN CLAUSE (B) OF SECTION 803 OF THIS ACT FOR SUCH
6 ACCIDENTS. ABSENT A SPECIFIC AGREEMENT TO THE CONTRARY BETWEEN
7 THE INSURED AND THE INSURER, THE INSURED SHALL BE PRESUMED TO
8 HAVE CHOSEN NONE OF THE DEDUCTIBLES OR OPTIONS SET FORTH IN
9 SUBSECTION (D) OF SECTION 804 OF THIS ARTICLE. ALL POLICIES OF
10 INSURANCE WHICH ARE MADE SUBJECT TO SUCH CERTIFICATIONS SHALL BE
11 CONSIDERED POLICIES OF INSURANCE MEETING THE REQUIREMENTS OF
12 CLAUSE (B) OF SECTION 803 OF THIS ARTICLE, EVEN THOUGH SUCH
13 POLICIES NEED NOT PROVIDE COMPARABLE BENEFITS OR COVERAGES WITH
14 RESPECT TO MOTOR VEHICLE ACCIDENTS OCCURRING OUTSIDE THE
15 COMMONWEALTH OF PENNSYLVANIA. INSURERS NOT AUTHORIZED TO WRITE
16 MOTOR VEHICLE INSURANCE IN THIS COMMONWEALTH MAY VOLUNTARILY
17 FILE CERTIFICATES WITH THE COMMISSIONER IN THE SAME FORM AS
18 THOSE PROVIDED FOR AUTHORIZED INSURERS AND WITH LIKE EFFECT.
19 INSURERS WRITING MOTOR VEHICLE LIABILITY INSURANCE WITH RESPECT
20 TO ACCIDENTS OCCURRING WITHIN THIS COMMONWEALTH SHALL BE DEEMED
21 TO HAVE PROVIDED AT LEAST THE MINIMUM COVERAGE REQUIRED IN
22 CLAUSE (B) OF SECTION 803 OF THIS ARTICLE, AND ABSENT ANY
23 SPECIFIC AGREEMENT TO THE CONTRARY, THE INSURED SHALL BE
24 PRESUMED TO HAVE CHOSEN NONE OF THE OPTIONS SET FORTH IN
25 SUBSECTION (D) OF SECTION 804.

26 SECTION 818. REDUCTION IN RATES.--THE TOTAL COST OF COVERAGE
27 REQUIRED UNDER THIS ACT SHALL BE AT LEAST FIFTEEN PER CENT LESS
28 THAN THE TOTAL COST OF EQUIVALENT COVERAGE REQUIRED BY THE
29 FINANCIAL RESPONSIBILITY LAW OF THIS STATE. SUCH COMPARATIVE
30 COSTS SHALL BE DETERMINED AS OF THE EFFECTIVE DATE OF THIS ACT

1 AND SHALL BE FILED AT LEAST FIVE MONTHS IN ADVANCE THEREOF.

2 SECTION 3. SECTION 1 OF THIS AMENDATORY ACT SHALL TAKE
3 EFFECT IMMEDIATELY AND SECTION 2 SHALL TAKE EFFECT JULY 1, 1973.