
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 951

Session of
1987

INTRODUCED BY DAWIDA, O'DONNELL, MANDERINO, GAMBLE, MURPHY,
VAN HORNE, MICHLOVIC, MARKOSEK, LEVDANSKY, KOSINSKI, BALDWIN,
KUKOVICH, SEVENTY, RITTER AND ITKIN, MARCH 18, 1987

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, FEBRUARY 23, 1988

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," providing for experience rating,
12 for reporting of certain insurance data, for a liability
13 underwriting services plan, for a standby joint underwriting
14 association for general liability insurance, for procedure
15 for review of rate filings and for a notice of intent to
16 withdraw; and making repeals.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
20 as The Insurance Company Law of 1921, is amended by adding
21 articles to read:

22

ARTICLE X A.

←

1 EXPERIENCE RATING.

2 Section 1001 A. Submission, Approval and Use of Plan. No
3 later than July 1, 1987, each insurer required to report data
4 pursuant to Article X B shall develop and submit to the
5 department an experience rating plan which provides that the
6 premium for each policyholder within a class shall be based upon
7 the policyholder's loss experience. This plan shall be subject
8 to the approval or disapproval of the Insurance Department. If
9 the plan is not approved or disapproved within ninety (90) days
10 of its filing it shall be deemed approved, subject to review by
11 the Insurance Department. Such plan, once approved or deemed
12 approved, shall be put into effect and used by insurers in
13 determining premiums.

14 ARTICLE X B.

15 DISCLOSURE.

16 Section 1001 B. Reporting of Insurance Data. No later than
17 July 1, 1987, the Insurance Department shall promulgate rules
18 and regulations which shall require each insurer licensed to
19 write property or casualty insurance in this Commonwealth to
20 record and report its loss and expense experience and other data
21 as may be necessary to determine whether rates are excessive,
22 inadequate or unfairly discriminatory. The department may
23 designate one or more rate service organizations or advisory
24 organizations to gather and compile such experience and data,
25 provided the data is reported separately for each company. The
26 department shall require each insurer licensed to write property
27 or casualty insurance in this Commonwealth, as a supplement to
28 Schedule T of its annual statement to submit a report, on a form
29 furnished by the department, showing its direct writings in this
30 Commonwealth and the United States.

1 ~~Section 1002 B. Types of Insurance. The supplemental report~~
2 ~~required by section 1001 B shall include, but not be limited to,~~
3 ~~the following specific types of insurance (which shall be shown~~
4 ~~separately) written by such insurer:~~

5 ~~(1) political subdivision liability insurance reported~~
6 ~~separately in the following categories:~~

7 ~~(i) municipalities;~~

8 ~~(ii) school districts; and~~

9 ~~(iii) authorities;~~

10 ~~(2) public official liability insurance;~~

11 ~~(3) dram shop liability insurance;~~

12 ~~(4) day care center liability insurance;~~

13 ~~(5) errors and omissions liability insurance;~~

14 ~~(6) officers and directors liability insurance reported~~

15 ~~separately as follows:~~

16 ~~(i) nonprofit entities; and~~

17 ~~(ii) for profit entities;~~

18 ~~(7) products liability insurance;~~

19 ~~(8) medical malpractice insurance;~~

20 ~~(9) attorneys malpractice insurance;~~

21 ~~(10) architects and engineers malpractice insurance; and~~

22 ~~(11) motor vehicle insurance reported separately for~~

23 ~~commercial and private passenger vehicles as follows:~~

24 ~~(i) motor vehicle liability insurance first party benefits;~~

25 ~~(ii) motor vehicle bodily injury liability insurance;~~

26 ~~(iii) motor vehicle property liability insurance;~~

27 ~~(iv) uninsured motorist insurance; and~~

28 ~~(v) underinsured motorist insurance.~~

29 ~~Section 1003 B. Data Required. (a) The supplemental report~~
30 ~~shall include the following data, both specific to this~~

1 ~~Commonwealth and also to the United States, by the type of~~
2 ~~insurance for the previous year ending on the thirty first day~~
3 ~~of December:~~

4 ~~(1) direct premiums written;~~

5 ~~(2) net premiums written;~~

6 ~~(3) direct premiums earned;~~

7 ~~(4) net premiums earned;~~

8 ~~(5) net investment income, including realized capital gains~~
9 ~~and losses (which shall be shown separately) but excluding~~
10 ~~unrealized capital gains and losses, using estimates where~~
11 ~~necessary;~~

12 ~~(6) net investment income, including realized capital gains~~
13 ~~and losses (which shall be shown separately) and including~~
14 ~~unrealized capital gains and losses (which shall be shown~~
15 ~~separately), using estimates where necessary;~~

16 ~~(7) incurred claims developed as the sum of each of the~~
17 ~~following which shall be shown separately:~~

18 ~~(i) dollar amount of claims paid; plus~~

19 ~~(ii) reserves for reported claims at the end of current~~
20 ~~year; minus~~

21 ~~(iii) reserves for reported claims at the end of the~~
22 ~~previous year; plus~~

23 ~~(iv) reserves for incurred but not reported claims at the~~
24 ~~end of the current year; minus~~

25 ~~(v) reserves for incurred but not reported claims at the end~~
26 ~~of the previous year; plus~~

27 ~~(vi) loss adjustment expenses paid; plus~~

28 ~~(vii) reserves for loss adjustment expenses at the end of~~
29 ~~the current year; minus~~

30 ~~(viii) reserves for loss adjustment expenses at the end of~~

1 ~~the previous year;~~

2 ~~(8) actual incurred expenses, including commissions, other~~
3 ~~acquisition costs, general expenses, taxes, licenses and fees,~~
4 ~~all of which shall be shown separately;~~

5 ~~(9) net underwriting gain or loss;~~

6 ~~(10) net operating gain or loss, including net realized~~
7 ~~investment income but excluding unrealized investment income;~~

8 ~~(11) the sum of the value of closed claims and a~~
9 ~~distribution by size of claim for each of the following~~
10 ~~categories arising out of the course of business:~~

11 ~~(i) for uncontested claims;~~

12 ~~(ii) under a judgment entered by a court based upon a~~
13 ~~verdict;~~

14 ~~(iii) in settlements relating to and completed after~~
15 ~~institution of judicial proceedings but prior to a verdict; and~~

16 ~~(iv) in settlements relating to and completed after~~
17 ~~institution of judicial proceedings and after a verdict has been~~
18 ~~rendered in a judicial proceeding;~~

19 ~~(12) the sum of the legal costs incurred while settling~~
20 ~~claims which result in awards or payments of money, broken down~~
21 ~~by attorney fees and other legal costs for each of the following~~
22 ~~categories arising out of the course of business:~~

23 ~~(i) for uncontested claims;~~

24 ~~(ii) under a judgment entered by a court based upon a~~
25 ~~verdict;~~

26 ~~(iii) in settlements relating to and completed after~~
27 ~~institution of judicial proceedings but prior to a verdict; and~~

28 ~~(iv) in settlements relating to and completed after~~
29 ~~institution of judicial proceedings and after a verdict has been~~
30 ~~rendered in a judicial proceeding;~~

1 ~~(13) the sum of the legal costs incurred while settling~~
2 ~~claims which do not result in awards or payments of money,~~
3 ~~broken down by attorney fees and other legal costs for each of~~
4 ~~the following categories arising out of the course of business:~~
5 ~~(i) for uncontested claims;~~
6 ~~(ii) under a judgment entered by a court based upon a~~
7 ~~verdict; and~~
8 ~~(iii) in settlements relating to and completed after~~
9 ~~institution of judicial proceedings but prior to a verdict;~~
10 ~~(14) the number and dollar amount of each claim closed with~~
11 ~~payment and the dollar amount initially reserved for each claim,~~
12 ~~by year incurred;~~
13 ~~(15) the number and total dollar amount for all claims~~
14 ~~closed with payment and the total dollar amount initially~~
15 ~~reserved, by year incurred;~~
16 ~~(16) the claims closed without payment and the dollar amount~~
17 ~~initially reserved for each claim, by year incurred;~~
18 ~~(17) the number of claims closed without payment and the~~
19 ~~total dollar amount initially reserved, by year incurred;~~
20 ~~(18) the claims pending at the end of each year and the~~
21 ~~dollar amount reserved for each claim;~~
22 ~~(19) the number of claims pending at the end of each year~~
23 ~~and the total dollar amount reserved;~~
24 ~~(20) the name and address of any company, association or~~
25 ~~exchange which reinsures any part of the coverage it issues; the~~
26 ~~coverage provided, restrictions, loss retention per risk if~~
27 ~~applicable and cost of such reinsurance; and~~
28 ~~(21) any other information requested by the department.~~
29 ~~(b) The commissioner shall develop rules and regulations to~~
30 ~~implement the reporting requirements of this chapter that shall~~

1 ~~include:~~

2 ~~(1) provisions to assure the confidentiality of the data~~
3 ~~with regard to information relevant to individual claims; and~~

4 ~~(2) standard and uniform definitions for information~~
5 ~~required to be submitted to the department pursuant to this~~
6 ~~article that shall be consistent with generally accepted~~
7 ~~accounting principles, unless no generally accepted standard~~
8 ~~definitions exist.~~

9 ~~Section 1004 B. Actuarial Impact Statement Regarding~~
10 ~~Judicial Decisions. Any insurance company, or rating~~
11 ~~organization acting on behalf of more than one insurance~~
12 ~~company, may file annually, at the same time that the annual~~
13 ~~statement is due, an actuarial study detailing the impact of any~~
14 ~~appellate judicial decision rendered during the calendar year~~
15 ~~reported in the annual statement due at that time which it~~
16 ~~believes will have a significant impact on the price or~~
17 ~~availability of insurance.~~

18 ~~Section 1005 B. Review by Department. It shall be the duty~~
19 ~~of the department to annually compile and review all such~~
20 ~~reports submitted by insurers pursuant to this article and to~~
21 ~~utilize such reports in determining whether the rates or rating~~
22 ~~plans and any subsequent modifications thereof for property and~~
23 ~~casualty insurance in this Commonwealth are excessive,~~
24 ~~inadequate or unfairly discriminatory. All information collected~~
25 ~~by the department shall be made available to any interested~~
26 ~~insured or citizen.~~

27 ~~Section 1006 B. Requirement for Doing Business. Each~~
28 ~~insurance company shall file all of the information required~~
29 ~~under this article with the Insurance Department as a~~
30 ~~prerequisite to obtaining permission to write coverage, to~~

1 ~~continue to do business or to file for rate increases.~~

2 ~~Section 1007 B. Penalty. Each insurer who fails to comply~~
3 ~~with the terms of section 1001 B, 1002 B or 1003 B of this~~
4 ~~article shall pay a civil penalty of a fine of ten thousand~~
5 ~~dollars (\$10,000) and thereafter a fine of two hundred dollars~~
6 ~~(\$200) daily until this article is complied with.~~

7 ARTICLE X-A. ←

8 DATA DISCLOSURE.

9 SECTION 1001-A. REPORTING OF INSURANCE DATA.--NO LATER THAN
10 JULY 1, 1988, THE INSURANCE DEPARTMENT SHALL ORDER BY NOTICE IN
11 THE PENNSYLVANIA BULLETIN EACH INSURER LICENSED TO WRITE
12 PROPERTY OR CASUALTY INSURANCE IN THIS COMMONWEALTH TO RECORD
13 AND REPORT ITS LOSS AND EXPENSE EXPERIENCE AS PROVIDED IN THIS
14 ACT AND OTHER DATA AS MAY BE REQUIRED BY THE INSURANCE
15 DEPARTMENT. HOWEVER, AN INSURANCE COMPANY WHOSE MARKET SHARE, AS
16 RECORDED IN THE DEPARTMENT'S MOST RECENT PENNSYLVANIA MARKET
17 SHARE REPORT FOR ALL LINES OF LIABILITY INSURANCE COMBINED, IS
18 LESS THAN ONE PER CENTUM (1%) BY DIRECT WRITTEN PREMIUM VOLUME
19 SHALL NOT BE REQUIRED TO SUBMIT THE DATA LISTED IN SECTION 1003-
20 A(1) THROUGH (16), UNLESS THE COMPANY IS A MEMBER OF A GROUP OF
21 COMPANIES UNDER THE SAME OWNERSHIP OR MANAGEMENT, ANOTHER MEMBER
22 OF WHICH HAS A MARKET SHARE OF AT LEAST ONE PER CENTUM (1%).
23 ONCE EXEMPTED FROM REPORTING BY THIS SECTION, A COMPANY SHALL
24 NOT BE REQUIRED TO SUBMIT DATA UNLESS AND UNTIL IT OR ANOTHER
25 MEMBER OF ITS GROUP ACHIEVES A MARKET SHARE OF AT LEAST TWO PER
26 CENTUM (2%). ONCE REQUIRED TO REPORT BY THIS SECTION, A COMPANY
27 SHALL NOT BE EXEMPTED FROM SUBMITTING DATA UNLESS AND UNTIL IT
28 AND ALL OTHER MEMBERS OF ITS GROUP ACHIEVE MARKET SHARES OF LESS
29 THAN ONE PER CENTUM (1%). THE DEPARTMENT MAY DESIGNATE ONE OR
30 MORE RATE-SERVICE ORGANIZATIONS TO GATHER AND COMPILE SUCH

1 EXPERIENCE AND DATA, PROVIDED THE DATA ARE REPORTED SEPARATELY
2 FOR EACH COMPANY. THE DEPARTMENT SHALL REQUIRE EACH INSURER
3 LICENSED TO WRITE PROPERTY OR CASUALTY INSURANCE IN THIS
4 COMMONWEALTH TO PROVIDE THE REQUIRED DATA IN A DATA PROCESSING
5 FORMAT PRESCRIBED BY THE DEPARTMENT.

6 SECTION 1002-A. TYPES OF INSURANCE.--THE REPORT REQUIRED BY
7 SECTION 1001-A SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
8 FOLLOWING SPECIFIC TYPES OF INSURANCE (WHICH SHALL BE SHOWN
9 SEPARATELY) WRITTEN BY EACH INSURER:

10 (1) POLITICAL SUBDIVISION LIABILITY INSURANCE REPORTED
11 SEPARATELY IN THE FOLLOWING CATEGORIES:

12 (I) MUNICIPALITIES;

13 (II) SCHOOL DISTRICTS OR SCHOOLS; AND

14 (III) AUTHORITIES AND OTHER POLITICAL SUBDIVISIONS.

15 (2) PUBLIC OFFICIAL LIABILITY INSURANCE;

16 (3) DRAM SHOP LIABILITY INSURANCE;

17 (4) DAY-CARE CENTER LIABILITY INSURANCE, REPORTED SEPARATELY

18 AS FOLLOWS:

19 (I) COMMERCIAL DAY-CARE CENTER LIABILITY INSURANCE; AND

20 (II) DAY-CARE CENTER LIABILITY INSURANCE AS A RIDER ON A

21 HOMEOWNER'S POLICY;

22 (5) PRODUCTS LIABILITY INSURANCE;

23 (6) MEDICAL MALPRACTICE INSURANCE;

24 (7) ATTORNEYS' MALPRACTICE INSURANCE;

25 (8) ARCHITECTS AND ENGINEERS MALPRACTICE INSURANCE; AND

26 (9) OFFICERS AND DIRECTORS LIABILITY INSURANCE REPORTED

27 SEPARATELY AS FOLLOWS:

28 (I) NONPROFIT ENTITIES; AND

29 (II) FOR-PROFIT ENTITIES;

30 (10) MOTOR VEHICLE INSURANCE REPORTED SEPARATELY FOR

1 VOLUNTARY AND INVOLUNTARY COMMERCIAL AND VOLUNTARY AND
2 INVOLUNTARY PRIVATE PASSENGER VEHICLES, BROKEN DOWN BY
3 PENNSYLVANIA RATING TERRITORIES FOR EACH OF THE FOLLOWING
4 COVERAGES:

5 (I) FIRST PARTY BENEFITS INSURANCE;

6 (II) BODILY INJURY LIABILITY INSURANCE;

7 (III) PROPERTY DAMAGE LIABILITY INSURANCE;

8 (IV) UNINSURED AND UNDERINSURED MOTORIST INSURANCE;

9 (V) COLLISION INSURANCE; AND

10 (VI) COMPREHENSIVE INSURANCE.

11 SECTION 1003-A. DATA REQUIRED.--(A) THE REQUIRED REPORT
12 SHALL INCLUDE THE FOLLOWING DATA BY TYPE OF INSURANCE, BOTH
13 SPECIFIC TO THIS COMMONWEALTH AND ALSO TO THE UNITED STATES,
14 EXCEPT WHERE OTHERWISE NOTED, FOR THE PREVIOUS CALENDAR/ACCIDENT
15 YEAR, OR POLICY YEAR, WHERE APPLICABLE, ENDING ON THE 31ST DAY
16 OF DECEMBER, EVALUATED AS OF MARCH 31 OF THE FOLLOWING YEAR:

17 (1) DIRECT WRITTEN PREMIUMS AT COLLECTED AND CURRENT RATE
18 LEVELS;

19 (2) DIRECT EARNED PREMIUMS AT COLLECTED AND CURRENT RATE
20 LEVELS;

21 (3) WRITTEN EXPOSURES FOR EACH APPLICABLE TYPE OF EXPOSURE
22 BASE;

23 (4) EARNED EXPOSURES FOR EACH APPLICABLE TYPE OF EXPOSURE
24 BASE;

25 (5) NET INVESTMENT INCOME, EXCLUDING BOTH REALIZED AND
26 UNREALIZED CAPITAL GAINS AND LOSSES, USING ESTIMATES WHERE
27 NECESSARY, BROKEN DOWN BY LINE IN ACCORDANCE WITH THE NAIC
28 EXPENSE EXHIBIT METHOD;

29 (6) NET INVESTMENT INCOME, INCLUDING REALIZED CAPITAL GAINS
30 AND LOSSES (WHICH SHALL BE SHOWN SEPARATELY) BUT EXCLUDING

1 UNREALIZED CAPITAL GAINS AND LOSSES, USING ESTIMATES WHERE
2 NECESSARY, BROKEN DOWN BY LINE IN ACCORDANCE WITH THE NAIC
3 EXPENSE EXHIBIT METHOD;

4 (7) NET INVESTMENT INCOME, INCLUDING REALIZED CAPITAL GAINS
5 AND LOSSES (WHICH SHALL BE SHOWN SEPARATELY) AND INCLUDING
6 UNREALIZED CAPITAL GAINS AND LOSSES (WHICH SHALL BE SHOWN
7 SEPARATELY), USING ESTIMATES WHERE NECESSARY, BROKEN DOWN BY
8 LINE IN ACCORDANCE WITH THE NAIC INSURANCE EXPENSE EXHIBIT
9 METHOD;

10 (8) INCURRED LOSS DEVELOPMENT, ON A CALENDAR/ACCIDENT YEAR
11 BASIS, FOR ALL AVAILABLE YEARS BEGINNING WITH 1983 AND
12 DETERMINED AS THE SUM OF THE FOLLOWING DEVELOPMENTS, WHICH SHALL
13 BE SHOWN SEPARATELY:

14 (I) DOLLAR AMOUNT OF CLAIMS PAID; PLUS
15 (II) RESERVES FOR REPORTED CLAIMS; PLUS
16 (III) RESERVES FOR INCURRED BUT NOT REPORTED CLAIMS; PLUS
17 (IV) ALLOCATED LOSS ADJUSTMENT EXPENSES PAID; PLUS
18 (V) RESERVES FOR ALLOCATED LOSS ADJUSTMENT EXPENSES.

19 (9) INCURRED CLAIMS COUNT DEVELOPMENT, ON A
20 CALENDAR/ACCIDENT YEAR BASIS, FOR ALL AVAILABLE YEARS BEGINNING
21 WITH 1983 AND DETERMINED AS THE SUM OF THE FOLLOWING
22 DEVELOPMENTS, WHICH SHALL BE SHOWN SEPARATELY:

23 (I) NUMBER OF CLAIMS CLOSED WITH PAYMENT; PLUS
24 (II) NUMBER OF CLAIMS CLOSED WITHOUT PAYMENT; PLUS
25 (III) NUMBER OF CLAIMS PENDING.

26 (10) INCURRED EXPENSES, INCLUDING COMMISSIONS, OTHER
27 ACQUISITION COSTS, GENERAL EXPENSES, UNALLOCATED LOSS ADJUSTMENT
28 EXPENSES, TAXES, LICENSES AND FEES, ALL OF WHICH SHALL BE SHOWN
29 SEPARATELY;

30 (11) NET UNDERWRITING GAIN OR LOSS;

1 (12) NET OPERATING GAIN OR LOSS, INCLUDING NET REALIZED
2 INVESTMENT INCOME BUT EXCLUDING UNREALIZED INVESTMENT INCOME;

3 (13) THE TOTAL NUMBER OF CLOSED CLAIMS AND CORRESPONDING
4 LOSSES AND LOSS DISTRIBUTIONS ON A CALENDAR/ACCIDENT YEAR BASIS,
5 BROKEN DOWN INTO COMPONENTS OF ECONOMIC LOSS, PAIN AND
6 SUFFERING, AND PUNITIVE DAMAGES, FOR EACH OF THE FOLLOWING
7 CATEGORIES:

8 (I) UNCONTESTED CLAIMS;

9 (II) CLAIMS UNDER A JUDGMENT ENTERED BY A COURT BASED UPON A
10 VERDICT;

11 (III) CLAIMS IN SETTLEMENTS RELATING TO AND COMPLETED AFTER
12 INSTITUTION OF JUDICIAL PROCEEDINGS BUT PRIOR TO A VERDICT;

13 (IV) CLAIMS IN SETTLEMENTS RELATING TO AND COMPLETED AFTER
14 INSTITUTION OF JUDICIAL PROCEEDINGS AND AFTER A VERDICT HAS BEEN
15 RENDERED IN A JUDICIAL PROCEEDING; AND

16 (V) TOTAL CLAIMS.

17 THE DATA SUBMITTED SHALL BE FOR PENNSYLVANIA ONLY AND SHALL BE
18 CONFIDENTIAL. HOWEVER, A SUMMARY STATEMENT OF THE CLOSE CLAIMS
19 STUDY SHALL BE MADE PART OF THE REPORTING REQUIREMENTS OF
20 SECTION 1005-A.

21 (14) NAMES AND ADDRESSES OF REINSURANCE AGREEMENTS,
22 INCLUDING, BUT NOT LIMITED TO, THE PREMIUMS PAID FOR THE
23 REINSURANCE COVERAGE, COVERAGE PROVIDED, RESTRICTIONS AND LOSS
24 RETENTION PER RISK, IF APPLICABLE. THE DATA SUBMITTED SHALL BE
25 CONFIDENTIAL. HOWEVER, A SUMMARY STATEMENT OF THE COST AND
26 AVAILABILITY OF REINSURANCE SHALL BE MADE PART OF THE REPORT
27 REQUIREMENT OF SECTION 1005-A;

28 (15) ANY OTHER INFORMATION REQUESTED BY THE INSURANCE
29 DEPARTMENT.

30 (B) THE INSURANCE DEPARTMENT SHALL PUBLISH PROCEDURES IN THE

1 PENNSYLVANIA BULLETIN TO IMPLEMENT THE REPORTING REQUIREMENTS OF
2 THIS SECTION THAT SHALL INCLUDE, BUT NOT BE LIMITED TO:

3 (1) PROVISIONS TO GUARANTEE CONFIDENTIALITY OF THE DATA WITH
4 REGARD TO INFORMATION RELEVANT TO INDIVIDUAL CLAIMS; AND

5 (2) STANDARD AND UNIFORM DEFINITIONS FOR INFORMATION
6 REQUIRED TO BE SUBMITTED TO THE DEPARTMENT PURSUANT TO THIS
7 ARTICLE THAT SHALL BE CONSISTENT WITH GENERALLY ACCEPTED
8 ACTUARIAL PRINCIPALS.

9 SECTION 1004-A. ACTUARIAL IMPACT STATEMENT REGARDING
10 JUDICIAL DECISIONS.--ANY INSURANCE COMPANY OR RATING
11 ORGANIZATION ACTING ON BEHALF OF MORE THAN ONE INSURANCE COMPANY
12 MAY FILE AN ACTUARIAL STUDY DETAILING THE IMPACT OF ANY
13 APPELLATE JUDICIAL DECISION IT BELIEVES WILL HAVE A SIGNIFICANT
14 IMPACT ON THE PRICE OR AVAILABILITY OF INSURANCE.

15 SECTION 1005-A. DEPARTMENT UTILIZATION.--THE INSURANCE
16 DEPARTMENT SHALL UTILIZE THE REPORTS SUBMITTED BY INSURERS
17 PURSUANT TO THIS ARTICLE, OR ANY PORTIONS OF THESE REPORTS, IN
18 DETERMINING WHETHER THE RATES OR RATING PLANS, OR ANY SUBSEQUENT
19 MODIFICATIONS THEREOF, FOR PROPERTY OR CASUALTY INSURANCE IN
20 THIS COMMONWEALTH, ARE EXCESSIVE, INADEQUATE OR UNFAIRLY
21 DISCRIMINATORY, OR FOR ANY OTHER PURPOSE. THE DEPARTMENT SHALL
22 ANNUALLY SUMMARIZE THE DATA COMPILED PURSUANT TO THIS ACT. THE
23 DEPARTMENT SHALL FILE A REPORT AND FINDINGS WITH THE STANDING
24 COMMITTEES OF THE GENERAL ASSEMBLY HAVING JURISDICTION OVER
25 INSURANCE AFFAIRS. THE DEPARTMENT SHALL BE AUTHORIZED TO AUDIT
26 AT ITS DISCRETION ANY OF THE DATA SUBMITTED UNDER ARTICLE X-A.

27 SECTION 1006-A. REQUIREMENT FOR DOING BUSINESS.--EACH
28 INSURANCE COMPANY SHALL FILE ALL OF THE INFORMATION REQUIRED
29 UNDER THIS ARTICLE WITH THE INSURANCE DEPARTMENT AS A
30 PREREQUISITE TO OBTAINING PERMISSION TO WRITE COVERAGE, TO

1 CONTINUE TO DO BUSINESS OR TO FILE FOR RATE INCREASES.

2 SECTION 1007-A. PENALTY.--EACH INSURER WHO FAILS TO COMPLY
3 WITH THE TERMS OF SECTIONS 1001-A, 1102-A AND 1003-A OF THIS
4 ARTICLE SHALL PAY A CIVIL PENALTY OF A FINE OF TEN THOUSAND
5 DOLLARS (\$10,000) AND THEREAFTER A FURTHER CIVIL PENALTY OF TWO
6 HUNDRED DOLLARS (\$200) DAILY UNTIL THOSE SECTIONS ARE COMPLIED
7 WITH.

8 ARTICLE X C. <—

9 ARTICLE X-B. <—

10 PENNSYLVANIA LIABILITY UNDERWRITING SERVICES PLAN.

11 Section ~~1001-C~~ 1001-B. Definitions.--The following words and <—
12 phrases when used in this article shall have the meanings given
13 to them in this section, unless the context clearly indicates
14 otherwise:

15 (1) "Board," means the board of directors of the plan.

16 (2) "Commercial liability insurance," means insurance
17 coverage against the legal liability of the insured against
18 loss, damage or expense incident to a claim arising out of the
19 death or injury of any person or property damage as the result
20 of or incident to the lawful conduct of a business enterprise or
21 public purpose. The term includes such insurance coverage of
22 governmental entities, including political subdivisions as
23 specified in section ~~1002-B~~ 1002-A(1)(i), (ii) and (iii). <—

24 (3) "Commissioner," means the Insurance Commissioner of the
25 Commonwealth.

26 (4) "Department," means the Insurance Department of the
27 Commonwealth.

28 (5) "Plan," means the Pennsylvania Liability Underwriting
29 Services Plan.

30 (6) "Surplus lines agent," means an individual, partnership

1 or corporation that is duly licensed as such by the commissioner
2 to effect placement of insurance coverage with an unlicensed
3 insurer, and who may receive a commission therefor.

4 Section ~~1002-C~~ 1002-B. Creation of Plan.--The Pennsylvania <—
5 Liability Underwriting Services Plan is created as a legal
6 entity with all the rights which are reasonable and necessary to
7 fulfill its purpose, including, but not limited to, the
8 following:

9 (1) To own property.

10 (2) To enter into contracts.

11 (3) To sue and be sued, provided that no judgment against
12 the Plan shall create any liability in the individual members.

13 Section ~~1003-C~~ 1003-B. Purpose.--The Plan shall assist in <—
14 the placement of commercial liability insurance for eligible
15 Pennsylvania commercial risks and public entities that have
16 tried and failed to find such coverage.

17 Section ~~1004-C~~ 1004-B. Membership.--Every commercial <—
18 liability insurer admitted to do business in this Commonwealth
19 shall, as a condition of its authority to write such kinds of
20 insurance within this Commonwealth, be a member of the Plan and
21 have the rights and obligations as hereinafter described. The
22 commissioner may require that the surplus lines insurance
23 companies participate in the Plan.

24 Section ~~1005-C~~ 1005-B. Participation.--Each member of the <—
25 Plan shall participate in funding the administrative costs of
26 the plan, to the extent that application fees do not defray
27 those costs, and in the review of applications for insurance.
28 Each member's share of participation obligations shall be
29 equitable and set forth in the plan of operation. However,
30 members of the Plan shall not be required to review application

1 of eligible commercial risks or public entities where the member
2 has not underwritten such coverage for two consecutive years
3 preceding the effective date of this section.

4 Section ~~1006-C~~ 1006-B. Board of Directors.--The Plan shall <—
5 be governed by nine directors and the Insurance Commissioner,
6 who shall serve as a non-voting ex officio chairman. The nine
7 directors shall be appointed to the board as voting members, by
8 the commissioner, each to serve a term of two years. Five
9 members shall be representatives of insurance companies, two
10 members shall be licensed insurance agents or brokers and two
11 members shall be consumers of commercial insurance. Members
12 shall serve as representatives of their employers, who may have
13 the right to substitute individuals with the prior approval of
14 the commissioner.

15 Section ~~1007-C~~ 1007-B. Voting Rights.--Whenever so <—
16 designated by the board pursuant to its plan of operation, each
17 commercial liability insurer shall be allotted votes in
18 proportion to its share of the Statewide total written premium
19 during the prior year relating to general liability coverage,
20 plus the liability portion, as determined by the commissioner,
21 of commercial multi-peril coverage.

22 Section ~~1008-C~~ 1008-B. Organization.--(a) Within sixty (60) <—
23 days following the issuance of an order by the commissioner to
24 establish a plan the board shall submit to the commissioner, for
25 his review, a proposed plan of operation of the Plan, consistent
26 with the provisions of this act, which shall provide for the
27 formation of the Plan and the economical and efficient
28 administration of the Plan, including, but not limited to,
29 management of the Plan, preliminary assessment of all members
30 for initial expenses necessary to commence operations,

1 establishment of necessary facilities within this Commonwealth,
2 assessment of members to defray continuing expenses, limits of
3 liability, eligibility requirements, procedures for securing
4 timely referrals and quotes on insurance applications and
5 governance of the Plan.

6 (b) The plan of operation shall be subject to approval by
7 the commissioner and shall take effect ten (10) days after
8 having been approved by him. If the commissioner disapproves the
9 proposed plan of operation, the commissioner shall specify his
10 objections and how the plan of operation may be made acceptable.
11 Following the receipt of objections from the commissioner, the
12 Plan shall, within fifteen (15) days, submit for review an
13 appropriately revised plan of operation, and, if the Plan fails
14 to do so or if the revised Plan so filed is unacceptable, the
15 commissioner shall promulgate a plan of operation.

16 (c) The Plan may, by its own initiative, subject to prior
17 approval by the commissioner, amend the plan of operation.

18 Section ~~1009-C~~ 1009-B. Application Fees.--Subject to <—
19 approval by the commissioner, the Plan shall require
20 applications to be accompanied by reasonable application fees,
21 which may vary for different classes of applicants. Initially,
22 application fees should not exceed one hundred dollars (\$100)
23 nor be less than ten dollars (\$10) for any class of insured and
24 shall be reviewed annually by the commissioner. The application
25 fee is non-refundable if the applicant is determined to be
26 eligible for coverage, regardless of whether coverage is found
27 for the applicant through the Plan.

28 Section ~~1010-C~~ 1010-B. Eligibility.--All applications for <—
29 commercial liability coverage may be eligible for consideration
30 by the Plan if they are accompanied by the application fee

1 appropriate to that class of risk, three refusals of coverage
2 from admitted Pennsylvania commercial lines writers and one
3 refusal of coverage from a licensed surplus lines agent, and a
4 completed questionnaire as shall be supplied to the applicant by
5 the Plan and approved by the commissioner, except for
6 applications relating to:

7 (1) Insurance on motor vehicles.

8 (2) Insurance for pollution or environmental impairment.

9 (3) Insurance for workers' compensation and employers'
10 liability.

11 (4) Insurance for medical malpractice professional
12 liability.

13 (5) Insurance on activities conducted substantially outside
14 this Commonwealth unless the insurance is required by
15 Pennsylvania or Federal statute.

16 (6) Other risks as may be excluded by the Plan and approved
17 by the commissioner.

18 Section ~~1011-C~~ 1011-B. Immunity.--There shall be no <—
19 liability or cause of action against any member of the Plan or
20 its agents or employes, the Plan or its agents or employes,
21 members of the board of directors or the department or its
22 representatives for any action taken by or statement made by
23 them in the performance of their powers and duties under this
24 article.

25 Section ~~1012-C~~ 1012-B. Funds.--All fees, assessments and <—
26 other moneys received by the Plan shall be deposited into a
27 restricted revenue account within the General Fund and are
28 hereby appropriated to the board for the purposes set forth in
29 this article.

30 ARTICLE X D. <—

1 ~~STANDBY JOINT UNDERWRITING ASSOCIATION~~

2 ~~FOR GENERAL LIABILITY INSURANCE.~~

3 ~~Section 1001 D. Definitions. The following words and~~
4 ~~phrases when used in this article shall have the meanings given~~
5 ~~to them in this section, unless the context clearly indicates~~
6 ~~otherwise:~~

7 ~~(a) "Association," means the Standby Joint Underwriting~~
8 ~~Association for General Liability Insurance.~~

9 ~~(b) "Board," means the board of directors of the~~
10 ~~association.~~

11 ~~(c) "Department," means the Insurance Department of the~~
12 ~~Commonwealth.~~

13 ~~(d) "General liability insurance," means commercial~~
14 ~~liability insurance, including policies sold separately or as~~
15 ~~part of a package, but not including medical malpractice~~
16 ~~insurance, private passenger motor vehicle insurance or~~
17 ~~environmental impairment liability insurance. The term includes~~
18 ~~such insurance coverage of governmental entities, including~~
19 ~~political subdivisions as specified in section 1002 B(1)(i),~~
20 ~~(ii) and (iii).~~

21 ~~Section 1002 D. Creation of Association. The Standby Joint~~
22 ~~Underwriting Association for General Liability Insurance is~~
23 ~~created as a legal entity with all the rights which are~~
24 ~~reasonable and necessary to fulfill its purpose, including, but~~
25 ~~not limited to, the following:~~

26 ~~(1) To own property.~~

27 ~~(2) To enter into contracts.~~

28 ~~(3) To sue and be sued.~~

29 ~~(4) To require insurance companies and the department to~~
30 ~~provide information in a timely fashion.~~

1 ~~(5) To require the department to collect information.~~

2 ~~Section 1003 D. Administration. The association shall be~~
3 ~~administered by the board.~~

4 ~~Section 1004 D. Board. (a) The board shall consist of~~
5 ~~thirteen voting members, plus a chairperson, composed of and~~
6 ~~appointed in accordance with the following:~~

7 ~~(1) Six representatives of commercial insurance carriers,~~
8 ~~one of which shall be appointed by the Majority Leader of the~~
9 ~~House of Representatives; one of which shall be appointed by the~~
10 ~~Minority Leader of the House of Representatives; one of which~~
11 ~~shall be appointed by the Majority Leader of the Senate; one of~~
12 ~~which shall be appointed by the Minority Leader of the Senate;~~
13 ~~and two of which shall be appointed by the Governor.~~

14 ~~(2) Six representatives of purchasers of insurance for which~~
15 ~~the association may write insurance coverage, none of which~~
16 ~~shall be associated with commercial insurance carriers or the~~
17 ~~insurance industry, one of which shall be appointed by the~~
18 ~~Majority Leader of the House of Representatives; one of which~~
19 ~~shall be appointed by the Minority Leader of the House of~~
20 ~~Representatives; one of which shall be appointed by the Majority~~
21 ~~Leader of the Senate; one of which shall be appointed by the~~
22 ~~Minority Leader of the Senate; and two of which shall be~~
23 ~~appointed by the Governor.~~

24 ~~(3) One independent insurance agent, appointed by the~~
25 ~~Governor.~~

26 ~~(4) The Insurance Commissioner, who shall serve ex officio~~
27 ~~and who shall chair the board, but who may vote only in the case~~
28 ~~of a tie.~~

29 ~~(b) Seven members of the board, not including the Insurance~~
30 ~~Commissioner, a majority of which in any combination shall be~~

1 ~~made up of members other than representatives of commercial~~
2 ~~insurance carriers, shall constitute a quorum.~~

3 ~~(c) Board members shall not receive a salary or per diem~~
4 ~~allowance for serving as members but shall be reimbursed for~~
5 ~~actual and necessary expenses incurred in the performance of~~
6 ~~their duties. Said expenses may include reimbursement for travel~~
7 ~~and living expenses while engaged in board business.~~

8 ~~(d) Each board member shall serve a term of three years, and~~
9 ~~shall continue to serve thereafter until a successor is~~
10 ~~appointed, except that of the members first appointed:~~

11 ~~(1) The two members representing commercial insurance~~
12 ~~carriers appointed by the Governor, and the member representing~~
13 ~~the independent insurance agent shall serve for a term of one~~
14 ~~year.~~

15 ~~(2) The four members representing purchasers of insurance~~
16 ~~appointed by the Majority and Minority Leaders of the House of~~
17 ~~Representatives and the Senate shall serve for terms of two~~
18 ~~years.~~

19 ~~No member shall be eligible to serve more than two full~~
20 ~~consecutive terms of three years. Vacancies on the board shall~~
21 ~~be filled in the same manner in which they were originally~~
22 ~~designated under subsection (a), within sixty (60) days of the~~
23 ~~vacancy. A member may be removed for just cause by the~~
24 ~~appointing authority after recommendation by a vote of at least~~
25 ~~nine members of the board.~~

26 ~~(e) Within ninety (90) days of the effective date of this~~
27 ~~article, the Governor, the Majority and Minority Leaders of the~~
28 ~~House of Representatives and the Majority and Minority Leaders~~
29 ~~of the Senate shall make all of the appointments called for~~
30 ~~under this article.~~

1 ~~(f) On or before September 1, 1987, the board shall meet, at~~
2 ~~the call of the chair. Thereafter, the board shall meet at least~~
3 ~~annually, to determine if the conditions for association action~~
4 ~~under section 1006 D exist. The Insurance Commissioner shall~~
5 ~~have the power to call a meeting of the board and any six~~
6 ~~members of the board, upon a written letter to the chairman,~~
7 ~~shall have the power to call a meeting of the board.~~

8 ~~(g) All meetings of the board shall be advertised and~~
9 ~~conducted pursuant to the act of July 3, 1986 (P.L.388, No.84),~~
10 ~~known as the "Sunshine Act," except that the board may provide~~
11 ~~for executive sessions of the board on subjects permitted to be~~
12 ~~discussed in such sessions under the "Sunshine Act." No act of~~
13 ~~the board shall be taken in executive session.~~

14 ~~(h) The Insurance Department shall provide whatever~~
15 ~~personnel services may be necessary for the board to fulfill its~~
16 ~~responsibilities under this article.~~

17 ~~Section 1005 D. Funding. Where necessary, administrative~~
18 ~~costs of the association, including startup expenses, shall be~~
19 ~~funded by an assessed prorated contribution of all general~~
20 ~~liability insurance companies licensed to do business in this~~
21 ~~Commonwealth based on premiums written by the association in~~
22 ~~this Commonwealth. Such costs shall be recoverable from premiums~~
23 ~~written by the association. The contribution system shall be~~
24 ~~established by regulation of the department under section 1009-~~
25 ~~D.~~

26 ~~Section 1006 D. Insurance. (a) The association shall write~~
27 ~~general liability insurance policies, at the board's direction,~~
28 ~~when the board determines that more than five percentum (5%) of~~
29 ~~standard risks in any line or subline or classification of~~
30 ~~general liability insurance cannot obtain coverage through the~~

1 ~~voluntary market at standard rates or the market assistance plan~~
2 ~~pursuant to Article X C. If the board determines that coverage~~
3 ~~has been available to ninety five percentum (95%) or more of the~~
4 ~~standard risks in any line or subline of insurance, for at least~~
5 ~~six consecutive months, the association shall cease to write any~~
6 ~~new policies in that line or subline of insurance and shall not~~
7 ~~renew any policies in force at that time. No coverage shall be~~
8 ~~nonrenewed without providing the insured with at least sixty~~
9 ~~(60) days' notice. The association, at the board's direction,~~
10 ~~may facilitate pooling arrangements wherever appropriate~~
11 ~~notwithstanding any law to the contrary.~~

12 ~~(b) Any standard risk person unable to obtain coverage may~~
13 ~~petition the board to write insurance in a certain line or~~
14 ~~subline and the board, after consideration of the extent of the~~
15 ~~problem based on data obtained from the department and any other~~
16 ~~appropriate sources, shall render a decision based on the~~
17 ~~petition within forty five (45) days.~~

18 ~~(c) The initial areas to be considered under subsection (a)~~
19 ~~are political subdivisions of the Commonwealth, commercial motor~~
20 ~~vehicles, dram shops, day care centers and nonprofit~~
21 ~~organizations.~~

22 ~~(d) The board may not consider coverage from the~~
23 ~~associations for medical malpractice insurance, private~~
24 ~~passenger motor vehicle insurance or environmental impairment~~
25 ~~liability insurance.~~

26 ~~(e) The board shall at its discretion create separate~~
27 ~~associations or accounts for each line or subline of insurance~~
28 ~~that it writes and shall not commingle funds.~~

29 ~~Section 1007 D. Risk Management Program. The board shall~~
30 ~~require each insured to adopt a program for risk management to~~

1 ~~be offered coverage from the association. Approval by the board~~
2 ~~and compliance with such risk management program shall be a~~
3 ~~condition precedent to obtaining and maintaining coverage from~~
4 ~~the association.~~

5 ~~Section 1008 D. Risk Apportionment. (a) The board shall,~~
6 ~~after consultation with property and casualty insurers~~
7 ~~transacting business in this Commonwealth, adopt a plan or plans~~
8 ~~for the equitable apportionment among such insurers of general~~
9 ~~liability insurance coverage for individuals or groups who are~~
10 ~~standard risks, but are unable to procure such coverage through~~
11 ~~the voluntary market at standard rates or the market assistance~~
12 ~~plan pursuant to Article X C. The board may adopt a joint~~
13 ~~underwriting plan which shall provide for one or more designated~~
14 ~~insurers able and willing to provide policyholder and claim~~
15 ~~services, including the issuance of insurance policies, to act~~
16 ~~on behalf of all other insurers required to participate in the~~
17 ~~joint underwriting plan. Any joint underwriting plan adopted~~
18 ~~shall provide for the equitable apportionment of any profits~~
19 ~~realized, or of losses and expenses incurred, among~~
20 ~~participating insurers. The plan shall include, but not be~~
21 ~~limited to:~~

22 ~~(1) Rules for the classification of risks and rates which~~
23 ~~reflect to the maximum extent possible the past loss experience~~
24 ~~and prospective loss experience in different geographic areas~~
25 ~~within this Commonwealth.~~

26 ~~(2) A rating plan which reasonably reflects the prior claims~~
27 ~~experience of the insureds.~~

28 ~~(3) Excess coverage by insurers if the board, in its~~
29 ~~discretion, requires such coverage by insurers participating in~~
30 ~~the joint underwriting plan.~~

~~(b) In the event an underwriting deficit exists at the end of the year the plan is in effect, each policyholder shall pay to the joint underwriting plan a premium contingency assessment not to exceed one fifth of the premium payment paid by the policyholder for that year. The joint underwriting plan shall pay no further claims on any policy for which the policyholder fails to pay the premium contingency assessment.~~

~~(c) Any deficit sustained under the plan shall first be recovered through a premium contingency assessment. Concurrently, the rates for insureds shall be adjusted for the next year so as to be actuarially sound in conformance with rules of the department.~~

~~(d) If there is any remaining deficit under the plan after maximum collection of the premium contingency assessment, this deficit shall be recovered from the companies participating in the plan in the proportion that the net direct premiums of each such member written during the preceding calendar year bears to the aggregate net direct premiums written in this Commonwealth by all members of the joint underwriting plan. It shall not be permissible to use such deficit to increase automobile or homeowners insurance premiums.~~

~~(e) Upon adoption of a plan, all general liability insurers shall subscribe thereto and participate therein as a condition of doing business in this Commonwealth.~~

~~Section 1009 D. Regulations. The board shall promulgate regulations to insure that:~~

~~(1) The association provides liability insurance as required by this act.~~

~~(2) There is a procedure for petitioning the board to act under section 1006 D(c) and that there is a definition of~~

1 "standard risk."

2 ~~(3) Losses and profits are assigned equitably under section~~
3 ~~1008 D.~~

4 ~~(4) Coverage is made available through licensed agents and~~
5 ~~that a reasonable commission is paid.~~

6 ~~(5) The cost of operating the association is reasonable in~~
7 ~~relation to the service it provides to the insurance business of~~
8 ~~this Commonwealth.~~

9 ~~ARTICLE X E.~~ <—

10 ~~ARTICLE X-C.~~

11 ~~REVIEW OF RATE FILINGS.~~

12 ~~Section 1001-E 1001-C. Procedure.--The commissioner shall~~ <—
13 ~~promulgate rules and regulations establishing, THROUGH NOTICE IN~~ <—
14 ~~THE PENNSYLVANIA BULLETIN, ORDER THE ESTABLISHMENT OF procedures~~
15 ~~for the review of rules, rates and rating plans for property and~~
16 ~~casualty insurance.~~

17 ~~(b) These rules and regulations shall include, but not be~~
18 ~~limited to:~~

19 ~~(1) Uniform definitions.~~

20 ~~(2) Information required to accompany STANDARD FORMAT AND~~ <—
21 ~~STANDARD METHODOLOGIES FOR the submission or modification of~~
22 ~~rules, rates and rating plans.~~

23 ~~(3) Public notice of any public hearing or other~~
24 ~~opportunities of any interested party or person to present~~
25 ~~information.~~

26 ~~(4) Requiring that all information filed or presented to the~~
27 ~~department at any time shall be part of the public record.~~

28 ~~(5) That all decisions of the department shall be based~~
29 ~~solely on the evidence in the record.~~

30 ~~(6) Prohibition of communication by employes of the~~ <—

1 ~~Insurance Department with any party to a rate filing that is not~~
2 ~~on the record.~~

3 (6) THE PROCEDURE BY WHICH THE DEPARTMENT SHALL, AT ITS <—
4 DISCRETION, AUDIT RATEMAKING DATA.

5 ~~ARTICLE X-F.~~ <—

6 ARTICLE X-D <—

7 NOTICE OF INTENT TO WITHDRAW.

8 Section ~~1001-F~~ 1001-D. Notice Required.--(a) Whenever an <—
9 insurer licensed to write property and casualty insurance as
10 described in section ~~1001-B~~ 1001-A decides to withdraw from any <—
11 line, subline or classification of business, the insurance
12 company shall file with the Insurance Department a notice
13 detailing the intent to withdraw. The notice shall include, but
14 not be limited to, the reasons for withdrawal, the number of
15 policyholders affected, the effective date of the withdrawal, if
16 the withdrawal is Statewide or national, and a listing of
17 potential sources for replacement coverage for insureds. This
18 notice of withdrawal by insurers shall be filed at least sixty
19 days prior to the effective date of the withdrawal.

20 (b) The Insurance Department shall use this information to
21 assist in determining market conditions.

22 (c) The department shall not permit any insurer licensed to
23 write property and casualty insurance to withdraw from any line
24 or classification of business without complying with the
25 provisions of this article.

26 ~~Section 2. Any investments properly made pursuant to~~ <—
27 ~~applicable provisions of this act prior to the effective date of~~
28 ~~this amendatory act shall continue as permitted investments~~
29 ~~under this act.~~

30 ~~Section 3. This act is not intended to repeal section 641 of~~

1 ~~the act of May 17, 1921 (P.L.789, No.285), known as The~~
2 ~~Insurance Department Act of one thousand nine hundred and~~
3 ~~twenty one or its application as provided in the act of December~~
4 ~~30, 1974 (P.L.1148, No.365), entitled "An act amending the act~~
5 ~~of May 17, 1921 (P.L.789, No.285), entitled, as amended, 'An act~~
6 ~~relating to insurance; establishing an insurance department; and~~
7 ~~amending, revising, and consolidating the law relating to the~~
8 ~~licensing, qualification, regulation, examination, suspension,~~
9 ~~and dissolution of insurance companies, Lloyds associations,~~
10 ~~reciprocal and inter insurance exchanges, and certain societies~~
11 ~~and orders, the examination and regulation of fire insurance~~
12 ~~rating bureaus, and the licensing and regulation of insurance~~
13 ~~agents, and brokers; the service of legal process upon foreign~~
14 ~~insurance companies, associations or exchanges; providing~~
15 ~~penalties, and repealing existing laws, 'prohibiting the~~
16 ~~licensing of lending institutions, public utilities and holding~~
17 ~~companies except for the sale of certain types of insurance."~~

18 ~~Section 4. Section 618(B)(11) of the act of May 17, 1921~~
19 ~~(P.L.682, No.284), known as The Insurance Company Law of 1921,~~
20 ~~is repealed insofar as it is inconsistent with this act.~~

21 ~~Section 5. This act shall take effect as follows:~~

22 ~~(1) As much of section 1 as relates to Article X A shall~~
23 ~~take effect in 30 days.~~

24 ~~(2) The remainder of this act shall take effect~~
25 ~~immediately.~~

26 ARTICLE X-E.

27 REQUESTS FOR DATA AND INFORMATION; COMPLIANCE.

28 SECTION 1001-E. REQUESTS FOR DATA AND INFORMATION.--(A) ANY
29 PERSON OR ENTITY LICENSED OR OTHERWISE AUTHORIZED TO ENGAGE IN
30 THE BUSINESS OF INSURANCE IN THIS COMMONWEALTH SHALL COMPLY WITH

1 CALLS FOR DATA AND ANY OTHER INFORMATION THAT MAY BE MADE BY THE
2 INSURANCE DEPARTMENT. COMPLIANCE WITH SUCH CALLS, RELATING TO
3 THE CONDUCT OF THE BUSINESS OF INSURANCE, SHALL INCLUDE THE
4 FOLLOWING ACTIONS:

5 (1) THE PROVISION OF ALL DATA OR INFORMATION REQUESTED
6 WITHIN THIRTY (30) CALENDAR DAYS OF THE DATE THAT THE REQUEST IS
7 FIRST RECEIVED UNLESS A DIFFERENT TIME TO RESPOND IS PROVIDED BY
8 THE DEPARTMENT OR GRANTED AS A RESULT OF A FORMAL REQUEST BY THE
9 ENTITY TO WHICH THE REQUEST IS MADE. WHERE DATA OR INFORMATION
10 IS NOT READILY AVAILABLE IN THE FORM OR FORMAT IN WHICH IT IS
11 REQUESTED, SUCH DATA AND INFORMATION SHALL BE GENERATED,
12 ORGANIZED AND PRESENTED IN THE FORM OR FORMAT REQUESTED BY THE
13 DEPARTMENT.

14 (2) THE PROVISION OF COPIES OF ACTUAL RECORDS AND DOCUMENTS
15 REQUESTED, INCLUDING, BUT NOT LIMITED TO, LETTERS, GUIDELINES,
16 LISTS, MEMORANDA, DIRECTIVES, NOTICES AND ANY FORM OF
17 COMMUNICATION WHICH RELATE TO DATA OR INFORMATION REQUESTED.

18 SECTION 1002-E. PENALTIES.--ANY PERSON OR ENTITY WHICH FAILS
19 TO COMPLY WITH THIS ARTICLE SHALL PAY UP TO A MAXIMUM CIVIL
20 PENALTY OF TEN THOUSAND DOLLARS (\$10,000) AND BE SUBJECT TO A
21 FURTHER CIVIL PENALTY OF TWO HUNDRED DOLLARS (\$200) DAILY UNTIL
22 FULL COMPLIANCE OCCURS.

23 SECTION 2. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.