
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 46

Session of
1987

INTRODUCED BY CARN, JAROLIN, JOSEPHS, ACOSTA, HAYDEN, PRESTON,
KOSINSKI, DALEY, KASUNIC, MAINE, RAYMOND, CAWLEY,
CAPPABIANCA, FREEMAN, RITTER, BOWLEY, RIEGER, EVANS, OLIVER,
TRUMAN, ROEBUCK, WIGGINS, FATTAH, LINTON, DEAL, RICHARDSON,
HOWLETT, COHEN, HARPER, PETRARCA, HUGHES, BLAUM, STUBAN,
D. W. SNYDER, SALOOM, PRESSMANN, WOZNIAK, LUCYK, GEORGE,
MURPHY, FEE, DAWIDA, MICHLOVIC AND DOMBROWSKI, MARCH 4, 1987

REFERRED TO COMMITTEE ON RULES, MARCH 4, 1987

A RESOLUTION

1 Directing the House Insurance Committee to conduct an
2 investigation into the availability and cost of automobile
3 insurance in this Commonwealth.

4 WHEREAS, Insurance is a device through which an insured
5 transfers the risk of financial loss imposed by uncertain future
6 events to an insurer specializing in such risks; and

7 WHEREAS, Automobile insurance is a form of property and
8 casualty insurance providing compensation to the insured in the
9 event of loss or providing indemnification when the insured has
10 a legal responsibility for a loss caused by his or her actions;
11 and

12 WHEREAS, By pooling the risks of many insureds, an insurer is
13 able to predict with some accuracy the cost and frequency of
14 their losses; and

15 WHEREAS, On the basis of such predictions, an insurer
16 establishes the premium necessary to have sufficient income to

1 cover its losses, normal business expenses and a reasonable
2 profit margin; and

3 WHEREAS, The Pennsylvania Insurance Department regulates
4 insurance premium rates, relying heavily on figures submitted by
5 insurers; therefore be it

6 RESOLVED, That the House of Representatives direct the
7 Insurance Committee to conduct an in-depth investigation into
8 the pricing practices of automobile insurers, including, but not
9 limited to, pricing; market conduct; restrictions on joint and
10 group underwriting; classifications of all types, including, but
11 not limited to, territorial and sexual rating factors; and the
12 conduct and influence of rating organizations; and be it further

13 RESOLVED, That the committee may hold hearings, take
14 testimony and make its investigations at such places as it deems
15 necessary in this Commonwealth. Each member of the committee
16 shall have power to administer oaths and affirmations to
17 witnesses appearing before the committee; and be it further

18 RESOLVED, That the committee report its findings and
19 recommendations for remedial legislation to the House of
20 Representatives by December 15, 1987.