

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2143 Session of
1989

INTRODUCED BY BORTNER, YANDRISEVITS, MELIO, LAUGHLIN, McCALL AND
WAMBACH, DECEMBER 4, 1989

REFERRED TO COMMITTEE ON INSURANCE, DECEMBER 4, 1989

AN ACT

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

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

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

12 Section 5. Unfair Methods of Competition and Unfair or
13 Deceptive Acts or Practices Defined.--* * *

14 (b) Nothing in subsection (a)(7) or (8) of this section
15 shall be construed as including within the definition of
16 discrimination or rebates any of the following practices:

17 (1) in the case of any contract of life insurance or life
18 annuity, paying bonuses to policyholders or otherwise abating
19 their premiums out of surplus accumulated from nonparticipating

1 insurance if any such bonuses or abatement of premiums are fair
2 and equitable to policyholders and for the best interests of the
3 company and its policyholders;

4 (2) in the case of life insurance policies issued on the
5 industrial or debit plan, making allowance to policyholders who
6 have continuously for a specified period made premium payments
7 directly to an office of the insurer in an amount which fairly
8 represents the saving in collection expense; [or]

9 (3) readjustment of the rate of premium for a group
10 insurance policy based on the loss or expense experience
11 thereunder, at the end of the first or any subsequent policy
12 year of insurance thereunder, which may be made retroactive only
13 for such policy year[.]; or

14 (4) in the case of automobile insurance, any agent or broker
15 from paying the deductible amount of collision coverage to the
16 policyholder in an amount not greater than two hundred fifty
17 dollars (\$250) in the event an insured vehicle is involved in an
18 accident, and it is established to the satisfaction of such
19 agent or broker that all persons sitting in the front seats of
20 such vehicle were wearing seat belts at the time of the
21 accident.

22 * * *

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