

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2576 Session of
2006

INTRODUCED BY VEON, BEBKO-JONES, COHEN, DeWEESE, FRANKEL,
GERGELY, GOODMAN, GRUCELA, HARPER, JAMES, JOSEPHS, KIRKLAND,
LaGROTTA, LEACH, MELIO, MYERS, SIPTROTH, STURLA, THOMAS,
WALKO, WATERS AND YOUNGBLOOD, APRIL 4, 2006

REFERRED TO COMMITTEE ON TRANSPORTATION, APRIL 4, 2006

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, further providing for financial responsibility
3 coverage.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Sections 1731(a), (b), (b.1), (b.2), (b.3), (c)
7 and (c.1), 1734, 1736 and 1738(b), (c), (d) and (e) of Title 75
8 of the Pennsylvania Consolidated Statutes are amended to read:

9 § 1731. Availability, scope and amount of coverage.

10 (a) Mandatory [offering] coverage.--No motor vehicle
11 liability insurance policy shall be delivered or issued for
12 delivery in this Commonwealth, with respect to any motor vehicle
13 registered or principally garaged in this Commonwealth, unless
14 uninsured motorist and underinsured motorist coverages are
15 offered therein or supplemental thereto in amounts [as provided
16 in section 1734 (relating to request for lower limits of
17 coverage)]. Purchase of uninsured motorist and underinsured

1 motorist coverages is optional] equal to the amount of liability
2 coverage.

3 (b) Uninsured motorist coverage.--Uninsured motorist
4 coverage shall provide protection for persons who suffer injury
5 arising out of the maintenance or use of a motor vehicle and are
6 legally entitled to recover damages therefor from owners or
7 operators of uninsured motor vehicles. [The named insured shall
8 be informed that he may reject uninsured motorist coverage by
9 signing the following written rejection form:

10 REJECTION OF UNINSURED MOTORIST PROTECTION

11 By signing this waiver I am rejecting uninsured motorist
12 coverage under this policy, for myself and all relatives
13 residing in my household. Uninsured coverage protects me and
14 relatives living in my household for losses and damages
15 suffered if injury is caused by the negligence of a driver
16 who does not have any insurance to pay for losses and
17 damages. I knowingly and voluntarily reject this coverage.

18
19 Signature of First Named Insured
20
21 Date

22 (b.1) Limitation of rejection.--Uninsured motorist
23 protection may be rejected for the driver and passengers for
24 rental or lease vehicles which are not otherwise common carriers
25 by motor vehicle, but such coverage may only be rejected if the
26 rental or lease agreement is signed by the person renting or
27 leasing the vehicle and contains the following rejection
28 language:

29 Rejection of Uninsured Motorist Protection

30 I am rejecting uninsured motorist coverage under this

1 rental or lease agreement, and any policy of insurance or
2 self-insurance issued under this agreement, for myself
3 and all other passengers of this vehicle. Uninsured
4 coverage protects me and other passengers in this vehicle
5 for losses and damages suffered if injury is caused by
6 the negligence of a driver who does not have any
7 insurance to pay for losses and damages.

8 (b.2) Rejection language change.--The rejection language of
9 subsection (b.1) may only be changed grammatically to reflect a
10 difference in tense in the rental agreement or lease agreement.

11 (b.3) Vehicle rental services.--The requirements of
12 subsection (b.1) may be met in connection with an expedited
13 vehicle rental service, which service by agreement of the renter
14 does not require the renter's signature for each rental, if a
15 master enrollment or rental agreement contains the rejection
16 language of subsection (b.1) and such agreement is signed by the
17 renter.]

18 (c) Underinsured motorist coverage.--Underinsured motorist
19 coverage shall provide protection for persons who suffer injury
20 arising out of the maintenance or use of a motor vehicle and are
21 legally entitled to recover damages therefor from owners or
22 operators of underinsured motor vehicles. [The named insured
23 shall be informed that he may reject underinsured motorist
24 coverage by signing the following written rejection form:

25 REJECTION OF UNDERINSURED MOTORIST PROTECTION

26 By signing this waiver I am rejecting underinsured
27 motorist coverage under this policy, for myself and all
28 relatives residing in my household. Underinsured coverage
29 protects me and relatives living in my household for losses
30 and damages suffered if injury is caused by the negligence of

1 a driver who does not have enough insurance to pay for all
2 losses and damages. I knowingly and voluntarily reject this
3 coverage.

4
5 Signature of First Named Insured
6
7 Date

8 (c.1) Form of waiver.--Insurers shall print the rejection
9 forms required by subsections (b) and (c) on separate sheets in
10 prominent type and location. The forms must be signed by the
11 first named insured and dated to be valid. The signatures on the
12 forms may be witnessed by an insurance agent or broker. Any
13 rejection form that does not specifically comply with this
14 section is void. If the insurer fails to produce a valid
15 rejection form, uninsured or underinsured coverage, or both, as
16 the case may be, under that policy shall be equal to the bodily
17 injury liability limits. On policies in which either uninsured
18 or underinsured coverage has been rejected, the policy renewals
19 must contain notice in prominent type that the policy does not
20 provide protection against damages caused by uninsured or
21 underinsured motorists. Any person who executes a waiver under
22 subsection (b) or (c) shall be precluded from claiming liability
23 of any person based upon inadequate information.]

24 * * *

25 [§ 1734. Request for lower limits of coverage.

26 A named insured may request in writing the issuance of
27 coverages under section 1731 (relating to availability, scope
28 and amount of coverage) in amounts equal to or less than the
29 limits of liability for bodily injury.]

30 [§ 1736. Coverages in excess of required amounts.

1 The coverages provided under this subchapter may be offered
2 by insurers in amounts higher than those required by this
3 chapter but may not be greater than the limits of liability
4 specified in the bodily injury liability provisions of the
5 insured's policy.]

6 § 1738. Stacking of uninsured and underinsured benefits and
7 option to waive.

8 * * *

9 [(b) Waiver.--Notwithstanding the provisions of subsection
10 (a), a named insured may waive coverage providing stacking of
11 uninsured or underinsured coverages in which case the limits of
12 coverage available under the policy for an insured shall be the
13 stated limits for the motor vehicle as to which the injured
14 person is an insured.

15 (c) More than one vehicle.--Each named insured purchasing
16 uninsured or underinsured motorist coverage for more than one
17 vehicle under a policy shall be provided the opportunity to
18 waive the stacked limits of coverage and instead purchase
19 coverage as described in subsection (b). The premiums for an
20 insured who exercises such waiver shall be reduced to reflect
21 the different cost of such coverage.

22 (d) Forms.--

23 (1) The named insured shall be informed that he may
24 exercise the waiver of the stacked limits of uninsured
25 motorist coverage by signing the following written rejection
26 form:

27 UNINSURED COVERAGE LIMITS

28 By signing this waiver, I am rejecting stacked limits
29 of uninsured motorist coverage under the policy for
30 myself and members of my household under which the limits

1 of coverage available would be the sum of limits for each
2 motor vehicle insured under the policy. Instead, the
3 limits of coverage that I am purchasing shall be reduced
4 to the limits stated in the policy. I knowingly and
5 voluntarily reject the stacked limits of coverage. I
6 understand that my premiums will be reduced if I reject
7 this coverage.

8

9 Signature of First Named Insured

10

11 Date

12 (2) The named insured shall be informed that he may
13 exercise the waiver of the stacked limits of underinsured
14 motorist coverage by signing the following written rejection
15 form:

16 UNDERINSURED COVERAGE LIMITS

17 By signing this waiver, I am rejecting stacked limits
18 of underinsured motorist coverage under the policy for
19 myself and members of my household under which the limits
20 of coverage available would be the sum of limits for each
21 motor vehicle insured under the policy. Instead, the
22 limits of coverage that I am purchasing shall be reduced
23 to the limits stated in the policy. I knowingly and
24 voluntarily reject the stacked limits of coverage. I
25 understand that my premiums will be reduced if I reject
26 this coverage.

27

28 Signature of First Named Insured

29

1 Date

2 (e) Signature and date.--The forms described in subsection
3 (d) must be signed by the first named insured and dated to be
4 valid. Any rejection form that does not comply with this section
5 is void.]

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