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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**  
**No. 561**

Session of  
1973

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INTRODUCED BY HANKINS, ARLENE, CIANFRANI, SMITH, MAZZEI, ROVNER,  
MC CREESH AND MELLOW, MARCH 26, 1973

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AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
APRIL 29, 1974

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AN ACT

1 ~~Regulating the cancellation of or refusal to renew policies of~~ <—  
2 ~~fire or casualty insurance; and imposing powers and duties on~~  
3 ~~the Insurance Commissioner therefor.~~  
4 RELATING TO UNFAIR INSURANCE PRACTICES; PROHIBITING UNFAIR <—  
5 METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS AND  
6 PRACTICES; AND PRESCRIBING REMEDIES AND PENALTIES.

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

9 ~~Section 1. As used in this act:~~ <—

10 ~~(1) "Policy" or "Policy of Fire and Casualty Insurance"~~  
11 ~~means any contract, including any endorsement, rider, binder~~  
12 ~~(written or oral), cover note, certificate or other instrument~~  
13 ~~of insurance attached or relating thereto, without regard to the~~  
14 ~~nature of the form of the same, delivered or issued for delivery~~  
15 ~~in this Commonwealth, which provides any of the coverages~~  
16 ~~enumerated in:~~

17 ~~(i) Clause (1) of subsection (b) of section 202, act of May~~  
18 ~~17, 1921 (P.L. 682, No. 284), known as "The Insurance Company Law~~

~~of 1921," as amended, except insurance against perils to property arising from the ownership or maintenance or from the use of aircraft, automobiles, or other motor vehicles.~~

~~(ii) Clauses (4) and (6) of subsection (c) of said section 202 of "The Insurance Company Law of 1921," when such coverages are written in conjunction with coverage provided under subsection (i) of this section.~~

~~(iii) Clause (13) of subsection (c) of said section 202 of "The Insurance Company Law of 1921."~~

~~(2) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy superseding at the end of the policy period a policy previously issued and delivered by the same insurer, such renewal policy to provide types and limits of coverage at least equal to those contained in the policy being superseded, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term with types and limits of coverage at least equal to those contained in the policy being extended: Provided, however, That any policy with a policy period or term of less than twelve months or any period with no fixed expiration date shall for the purpose of this act be considered as if written for successive policy periods or terms of twelve months.~~

~~(3) "Insurer" means any insurance company, association or exchange authorized to transact the business of fire or casualty insurance in the Commonwealth of Pennsylvania, including eligible unlicensed insurers under the act of January 24, 1966 (P.L.1509, No.531).~~

~~(4) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any~~

1 ~~installment of such premium, whether the premium is payable~~  
2 ~~directly to the insurer or its agent or indirectly under any~~  
3 ~~premium finance plan or extension of credit.~~

4 ~~Section 2. No insurer shall cancel or refuse to renew a~~  
5 ~~policy of fire and casualty insurance because of any one or more~~  
6 ~~of the following grounds: the age, residence, race, color,~~  
7 ~~creed, national origin, ancestry, marital status or lawful~~  
8 ~~occupation (including the military service) of any person who~~  
9 ~~has or seeks a policy; the location of the property; another~~  
10 ~~insurer has refused to write a policy, or has cancelled or has~~  
11 ~~refused to renew an existing policy in which that person was the~~  
12 ~~named insured; or for such other reasons as have been approved~~  
13 ~~by the Insurance Commissioner as provisions of the policy~~  
14 ~~subsequently to the enactment of this act.~~

15 ~~Section 3. No insurer shall cancel or refuse to renew a~~  
16 ~~policy except for substantial change in the subject matter of~~  
17 ~~the insurance, or fraud or for nonpayment of premium or for~~  
18 ~~other reasons which may be promulgated by the Insurance~~  
19 ~~Commissioner.~~

20 ~~Section 4. No cancellation or refusal to renew by an insurer~~  
21 ~~of a policy of fire and casualty insurance shall be effective~~  
22 ~~unless a written notice of the cancellation or refusal to renew~~  
23 ~~is received by the insured either at the address shown in the~~  
24 ~~policy or at a forwarding address. Such notice shall:~~

25 ~~(1) Be approved as to form by the Insurance Commissioner~~  
26 ~~prior to use;~~

27 ~~(2) State the date, not less than thirty days after the date~~  
28 ~~of delivery or mailing on which such cancellation or refusal to~~  
29 ~~renew shall become effective;~~

30 ~~(3) State the specific reason or reasons of the insurer for~~

1 ~~cancellation or refusal to renew;~~

2 ~~(4) Advise the insured of his right to request, in writing,~~  
3 ~~within ten days of the receipt of the notice of cancellation or~~  
4 ~~intention not to renew that the Insurance Commissioner review~~  
5 ~~the action of the insurer;~~

6 ~~(5) Advise the insured of his possible eligibility for~~  
7 ~~insurance under the act of July 31, 1968 (P.L.738, No.233),~~  
8 ~~known as "The Pennsylvania Fair Plan Act."~~

9 ~~(6) Advise the insured in a form commonly understandable of~~  
10 ~~the provisions of sections 2, 3, and 4 of this act as they limit~~  
11 ~~permissible time and reasons for cancellation.~~

12 ~~(7) Advise the insured of the procedures to be followed in~~  
13 ~~prosecuting an appeal.~~

14 ~~Section 5. Except as otherwise provided in this section~~  
15 ~~nothing in this act shall apply:~~

16 ~~(1) If the insurer has manifested its willingness to renew~~  
17 ~~by issuing or offering to issue a renewal policy, certificate or~~  
18 ~~other evidence of renewal, including the mailing of a renewal~~  
19 ~~premium notice to the insured not less than thirty days in~~  
20 ~~advance of the expiration date of the policy;~~

21 ~~(2) If the named insured has demonstrated by some overt~~  
22 ~~action to the insurer or its agent other than mere nonpayment of~~  
23 ~~premium that he wishes the policy to be cancelled or that he~~  
24 ~~does not wish the policy to be renewed;~~

25 ~~(3) To any policy of fire and casualty insurance which has~~  
26 ~~been in effect less than sixty days, including any notice of~~  
27 ~~termination period, unless it is a renewal policy, except that~~  
28 ~~no insurer shall decline to continue in force such a policy of~~  
29 ~~fire or casualty insurance solely on the basis of the grounds~~  
30 ~~set forth in section 3 hereof. Any declination of coverage~~

~~within the sixty day period provided in this clause shall, for purposes of review by the Insurance Commissioner, be deemed a refusal to write and shall not be subject to the provisions of this act.~~

~~Section 6. There shall be no liability on the part of and no cause of action of any nature shall arise against the Insurance Commissioner, any insurer, the authorized representatives, agents and employes of either or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation or refusal to renew for any statement made by any of them in complying with this act or for the providing of information pertaining thereto.~~

~~Section 7. Any insured may within ten days of the receipt by the insured of notice of cancellation or notice of intention not to renew, request in writing to the Insurance Commissioner that he review the action of the insurer in cancelling or refusing to renew the policy of such insured.~~

~~Section 8. On receipt of a request for review, the Insurance Commissioner or his designated representative shall notify the insurer thereof and shall review the matter to determine whether the cancellation or refusal to renew was in violation of this act, and shall within forty days of the receipt of such request either order the policy reinstated or uphold the cancellation or refusal to renew. In the case of a cancellation of or refusal to renew a policy, such policy shall remain in effect until the conclusion of such review except for appeals from cancellations for nonpayment of premiums in which case the policy shall terminate as of the date the policy would otherwise end, unless the appeal is upheld or the policy reinstated.~~

~~Section 9. The Insurance Commissioner shall promulgate rules~~

1 ~~and regulations necessary for the administration of this act.~~  
2 ~~The commissioner may provide in such rules and regulations for~~  
3 ~~the establishment of a filing fee not exceeding fifteen dollars~~  
4 ~~(\$15), to accompany the request for review. Should the Insurance~~  
5 ~~Commissioner decide the appeal in favor of the insured, the~~  
6 ~~filing fee shall be returned immediately and the fee shall be~~  
7 ~~paid by the insurer. No part of the review by the Insurance~~  
8 ~~Commissioner or his designated representative shall be subject~~  
9 ~~to the provisions of sections 31 through 36 of the act of June~~  
10 ~~4, 1945 (P.L.1388, No.442), known as the "Administrative Agency~~  
11 ~~Law." The decision of the Insurance Commissioner or his~~  
12 ~~designated representative shall be subject to appeal in~~  
13 ~~accordance with sections 41 through 46 of that act: Provided,~~  
14 ~~however, That the court hearing such appeal shall not decline to~~  
15 ~~affirm such decision on the ground that the requirements of~~  
16 ~~sections 31 through 36 of that act have not been complied with.~~

17 ~~Section 10. Each insurer shall maintain records in such form~~  
18 ~~as the Insurance Commissioner shall require of the numbers of~~  
19 ~~cancellations and refusals to renew policies and the reasons~~  
20 ~~therefor and shall supply to the Insurance Commissioner such~~  
21 ~~information as he may request.~~

22 ~~Section 11. Upon failure by an insurer to comply with any~~  
23 ~~order of the Insurance Commissioner or his designated~~  
24 ~~representatives under section 9 of this act, or upon~~  
25 ~~satisfactory evidence of the violation by any insurer or agent~~  
26 ~~of an insurer, of any of the provisions of this act, or of any~~  
27 ~~rules or regulations promulgated hereunder by the Insurance~~  
28 ~~Commissioner, the Insurance Commissioner may in his discretion~~  
29 ~~pursue any one or more of the following courses of action:~~

30 ~~(1) Suspend or revoke or refuse to renew the certificate of~~

~~authority or license to transact the business of insurance of  
such insurer or agent.~~

~~(2) For failure of an insurer to comply with any order of  
the Insurance Commissioner or his designated representatives  
under section 9 of this act, impose a penalty not to exceed the  
greater of one thousand dollars (\$1,000) or one hundred dollars  
(\$100) per day for each day that such insurer fails to comply  
with any such order.~~

~~(3) Impose a penalty of not more than one thousand dollars  
(\$1,000) for each and every act in violation of any of said  
provisions, rules or regulations by said insurer or agent.~~

~~Any proceeding by the Insurance Commissioner under this  
section shall be subject to the provisions of "Administrative  
Agency Law."~~

~~Section 12. All acts and parts of acts are repealed in so  
far as they are inconsistent herewith.~~

~~Section 13. This act shall take effect immediately.~~

SECTION 1. SHORT TITLE.--THIS ACT SHALL BE KNOWN AND MAY BE  
CITED AS THE "UNFAIR INSURANCE PRACTICES ACT."

SECTION 2. DECLARATION OF PURPOSE.--THE PURPOSE OF THIS ACT  
IS TO REGULATE TRADE PRACTICES IN THE BUSINESS OF INSURANCE IN  
ACCORDANCE WITH THE INTENT OF CONGRESS AS EXPRESSED IN THE ACT  
OF CONGRESS OF MARCH 9, 1945 (PUBLIC LAW 15, 79TH CONGRESS), BY  
DEFINING OR PROVIDING FOR THE DETERMINATION OF ALL SUCH  
PRACTICES IN THIS STATE WHICH CONSTITUTE UNFAIR METHODS OF  
COMPETITION OR UNFAIR OR DECEPTIVE ACTS OR PRACTICES AND BY  
PROHIBITING THE TRADE PRACTICES SO DEFINED OR DETERMINED.

SECTION 3. DEFINITIONS.--AS USED IN THIS ACT:

"COMMISSIONER" MEANS THE INSURANCE COMMISSIONER OF THE  
COMMONWEALTH OF PENNSYLVANIA.

1 "INSURANCE POLICY" OR "INSURANCE CONTRACT" MEANS ANY CONTRACT  
2 OF INSURANCE, INDEMNITY, HEALTH CARE, SURETYSHIP, TITLE  
3 INSURANCE, OR ANNUITY ISSUED, PROPOSED FOR ISSUANCE OR INTENDED  
4 FOR ISSUANCE BY ANY PERSON.

5 "PERSON" MEANS ANY INDIVIDUAL, CORPORATION, ASSOCIATION,  
6 PARTNERSHIP, RECIPROCAL EXCHANGE, INTER-INSURER, LLOYDS INSURER,  
7 FRATERNAL BENEFIT SOCIETY AND ANY OTHER LEGAL ENTITY ENGAGED IN  
8 THE BUSINESS OF INSURANCE, INCLUDING AGENTS, BROKERS AND  
9 ADJUSTERS AND ALSO MEANS HEALTH CARE PLANS AS DEFINED IN ~~SECTION~~  
10 ~~58-25-3-NMSA-1953-~~ 40 PA.S. CH.61 RELATING TO HOSPITAL PLAN  
11 CORPORATIONS, 40 PA.S. CH.63 RELATING TO PROFESSIONAL HEALTH  
12 SERVICES PLAN CORPORATIONS, 40 PA.S. CH.65 RELATING TO FRATERNAL  
13 AND BENEFICIAL SOCIETIES, 40 PA.S. CH.67 RELATING TO BENEFICIAL  
14 SOCIETIES AND THE ACT OF DECEMBER 29, 1972 (P.L.1701, NO.364),  
15 KNOWN AS THE "VOLUNTARY NONPROFIT HEALTH SERVICE ACT OF 1971."  
16 FOR PURPOSES OF THIS ACT, HEALTH CARE PLANS, FRATERNAL BENEFIT  
17 SOCIETIES AND BENEFICIAL SOCIETIES SHALL BE DEEMED TO BE ENGAGED  
18 IN THE BUSINESS OF INSURANCE.

19 "RENEWAL" OR "TO RENEW" MEANS THE ISSUANCE AND DELIVERY BY AN  
20 INSURER OF A POLICY SUPERSEDING AT THE END OF THE POLICY PERIOD  
21 A POLICY PREVIOUSLY ISSUED AND DELIVERED BY THE SAME INSURER,  
22 SUCH RENEWAL POLICY TO PROVIDE TYPES AND LIMITS OF COVERAGE AT  
23 LEAST EQUAL TO THOSE CONTAINED IN THE POLICY BEING SUPERSEDED,  
24 OR THE ISSUANCE AND DELIVERY OF A CERTIFICATE OR NOTICE  
25 EXTENDING THE TERM OF A POLICY BEYOND ITS POLICY PERIOD OR TERM  
26 WITH TYPES AND LIMITS OF COVERAGE AT LEAST EQUAL TO THOSE  
27 CONTAINED IN THE POLICY BEING EXTENDED: PROVIDED, HOWEVER, THAT  
28 ANY POLICY WITH A POLICY PERIOD OR TERM OF LESS THAN TWELVE  
29 MONTHS OR ANY PERIOD WITH NO FIXED EXPIRATION DATE SHALL FOR THE  
30 PURPOSE OF THIS ACT BE CONSIDERED AS IF WRITTEN FOR SUCCESSIVE



1 POLICY PERIODS OR TERMS OF TWELVE MONTHS.

2 SECTION 4. UNFAIR METHODS OF COMPETITION AND UNFAIR OR  
3 DECEPTIVE ACTS OR PRACTICES PROHIBITED.--NO PERSON SHALL ENGAGE  
4 IN THIS STATE IN ANY TRADE PRACTICE WHICH IS DEFINED OR  
5 DETERMINED TO BE AN UNFAIR METHOD OF COMPETITION OR AN UNFAIR OR  
6 DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF INSURANCE PURSUANT  
7 TO THIS ACT.

8 SECTION 5. UNFAIR METHODS OF COMPETITION AND UNFAIR OR  
9 DECEPTIVE ACTS OR PRACTICES DEFINED.--(A) "UNFAIR METHODS OF  
10 COMPETITION" AND "UNFAIR OR DECEPTIVE ACTS OR PRACTICES" IN THE  
11 BUSINESS OF INSURANCE MEANS:

12 (1) MAKING, PUBLISHING, ISSUING OR CIRCULATING ANY ESTIMATE,  
13 ILLUSTRATION, CIRCULAR, STATEMENT, SALES PRESENTATION, OMISSION  
14 COMPARISON WHICH:

15 (I) MISREPRESENTS THE BENEFITS, ADVANTAGES, CONDITIONS OR  
16 TERMS OF ANY INSURANCE POLICY;

17 (II) MISREPRESENTS THE PREMIUM OVERCHARGE COMMONLY CALLED  
18 DIVIDENDS OR SHARE OF THE SURPLUS TO BE RECEIVED ON ANY  
19 INSURANCE POLICY;

20 (III) MAKES ANY FALSE OR MISLEADING STATEMENTS AS TO THE  
21 DIVIDENDS OR SHARE OF SURPLUS PREVIOUSLY PAID ON ANY INSURANCE  
22 POLICY;

23 (IV) IS MISLEADING OR IS A MISREPRESENTATION AS TO THE  
24 FINANCIAL CONDITION OF ANY PERSON, OR AS TO THE LEGAL RESERVE  
25 SYSTEM UPON WHICH ANY INSURER OPERATES;

26 (V) USES ANY NAME OR TITLE OF ANY INSURANCE POLICY OR CLASS  
27 OF INSURANCE POLICIES MISREPRESENTING THE TRUE NATURE THEREOF;

28 (VI) IS A MISREPRESENTATION FOR THE PURPOSE OF INDUCING OR  
29 TENDING TO INDUCE THE LAPSE, FORFEITURE, EXCHANGE, CONVERSION OR  
30 SURRENDER OF ANY INSURANCE POLICY;

(VII) IS A MISREPRESENTATION FOR THE PURPOSE OF EFFECTING A  
PLEDGE OR ASSIGNMENT OF OR EFFECTING A LOAN AGAINST ANY  
INSURANCE POLICY; OR

(VIII) MISREPRESENTS ANY INSURANCE POLICY AS BEING SHARES OF  
STOCK.

(2) MAKING, ISSUING, PUBLISHING OR CIRCULATING IN ANY MANNER  
AN ADVERTISEMENT, ANNOUNCEMENT OR STATEMENT CONTAINING ANY  
REPRESENTATION OR STATEMENT WITH RESPECT TO THE BUSINESS OF  
INSURANCE OR WITH RESPECT TO ANY PERSON IN THE CONDUCT OF HIS  
INSURANCE BUSINESS WHICH IS UNTRUE, DECEPTIVE OR MISLEADING.

(3) MAKING, ISSUING, PUBLISHING OR CIRCULATING ANY ORAL OR  
WRITTEN STATEMENT WHICH IS FALSE OR MALICIOUSLY CRITICAL OF OR  
DEROGATORY TO THE FINANCIAL CONDITION OF ANY PERSON, AND WHICH  
IS CALCULATED TO INJURE SUCH PERSON.

(4) ENTERING INTO ANY AGREEMENT TO COMMIT, OR BY ANY  
CONCERTED ACTION COMMITTING, ANY ACT OF BOYCOTT, COERCION OR  
INTIMIDATION RESULTING IN OR TENDING TO RESULT IN UNREASONABLE  
RESTRAINT OF, OR MONOPOLY IN, THE BUSINESS OF INSURANCE.

(5) KNOWINGLY FILING WITH ANY SUPERVISORY OR OTHER PUBLIC  
OFFICIAL, OR KNOWINGLY MAKING, ISSUING, PUBLISHING OR  
CIRCULATING ANY FALSE MATERIAL STATEMENT OF FACT AS TO THE  
FINANCIAL CONDITION OF A PERSON, OR KNOWINGLY MAKING ANY FALSE  
ENTRY OF A MATERIAL FACT IN ANY BOOK, REPORT OR STATEMENT OF ANY  
PERSON, OR KNOWINGLY OMITTING TO MAKE A TRUE ENTRY OF ANY  
MATERIAL FACT PERTAINING TO THE BUSINESS OF SUCH PERSON IN ANY  
BOOK, REPORT OR STATEMENT OF SUCH PERSON.

(6) ISSUING OR DELIVERING OR PERMITTING AGENTS, OFFICERS OR  
EMPLOYEES TO ISSUE OR DELIVER AGENCY COMPANY STOCK OR OTHER  
CAPITAL STOCK, OR BENEFIT CERTIFICATES OR SHARES IN ANY COMMON-  
LAW CORPORATION, OR SECURITIES OR ANY SPECIAL OR ADVISORY BOARD

1 CONTRACTS OR OTHER CONTRACTS OF ANY KIND PROMISING RETURNS AND  
2 PROFITS AS AN INDUCEMENT TO INSURANCE.

3 (7) UNFAIRLY DISCRIMINATING BY MEANS OF:

4 (I) MAKING OR PERMITTING ANY UNFAIR DISCRIMINATION BETWEEN  
5 INDIVIDUALS OF THE SAME CLASS AND EQUAL EXPECTATION OF LIFE IN  
6 THE RATES CHARGED FOR ANY CONTRACT OF LIFE INSURANCE OR OF LIFE  
7 ANNUITY OR IN THE DIVIDENDS OR OTHER BENEFITS PAYABLE THEREON,  
8 OR IN ANY OTHER OF THE TERMS AND CONDITIONS OF SUCH CONTRACT; OR

9 (II) MAKING OR PERMITTING ANY UNFAIR DISCRIMINATION BETWEEN  
10 INDIVIDUALS OF THE SAME CLASS AND OF ESSENTIALLY THE SAME HAZARD  
11 IN THE AMOUNT OF PREMIUM, POLICY, FEES OR RATES CHARGED FOR ANY  
12 POLICY OR CONTRACT OF ~~ACCIDENT, HEALTH OR TITLE~~ INSURANCE OR IN <—  
13 THE BENEFITS PAYABLE THEREUNDER, OR IN ANY OF THE TERMS OR  
14 CONDITIONS OF SUCH CONTRACT, OR IN ANY OTHER MANNER WHATEVER.

15 (III) MAKING OR PERMITTING ANY UNFAIR DISCRIMINATION BETWEEN <—  
16 INDIVIDUALS OF THE SAME CLASS AND ESSENTIALLY THE SAME HAZARD  
17 WITH REGARD TO UNDERWRITING STANDARDS AND PRACTICES OR  
18 ELIGIBILITY REQUIREMENTS BY REASON OF RACE, RELIGION,  
19 NATIONALITY OR ETHNIC GROUP, AGE, SEX, FAMILY SIZE, OCCUPATION,  
20 PLACE OF RESIDENCE OR MARITAL STATUS. THE TERMS "UNDERWRITING  
21 STANDARDS AND PRACTICES" OR "ELIGIBILITY RULES" DO NOT INCLUDE  
22 THE PROMULGATION OF RATES IF MADE OR PROMULGATED IN ACCORDANCE  
23 WITH THE APPROPRIATE RATE REGULATORY ACT OF THIS COMMONWEALTH  
24 AND REGULATIONS PROMULGATED BY THE COMMISSIONER PURSUANT TO SUCH  
25 ACT.

26 (8) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY LAW, KNOWINGLY  
27 PERMITTING OR OFFERING TO MAKE OR MAKING ANY CONTRACT OF ~~LIFE~~ <—  
28 ~~INSURANCE, LIFE ANNUITY OR ACCIDENT AND HEALTH~~ INSURANCE, OR  
29 AGREEMENT AS TO SUCH CONTRACT OTHER THAN AS PLAINLY EXPRESSED IN  
30 THE INSURANCE CONTRACT ISSUED THEREON, OR PAYING OR ALLOWING, OR

1 GIVING OR OFFERING TO PAY, ALLOW OR GIVE AS INDUCEMENT TO SUCH  
2 INSURANCE ~~OR ANNUITY~~, ANY REBATE OF PREMIUMS PAYABLE ON THE <—  
3 CONTRACT, OR ANY SPECIAL FAVOR OR ADVANTAGE IN THE DIVIDENDS OR  
4 OTHER BENEFITS THEREON, OR ANY VALUABLE CONSIDERATION,  
5 INDUCEMENT OR ANYTHING OF VALUE WHATSOEVER WHICH IS NOT  
6 SPECIFIED IN THE CONTRACT.

7 ~~(9) CANCELLING OR REFUSING TO RENEW A POLICY OF INSURANCE <—~~  
8 ~~COVERING PRIVATE RESIDENTIAL PROPERTIES, PERSONAL PROPERTY OR~~  
9 ~~PERSONAL AUTOMOBILES OF INDIVIDUALS EXCEPT FOR A SUBSTANTIAL~~  
10 ~~CHANGE IN THE SUBJECT MATTER OF THE INSURANCE OR FRAUD OR~~  
11 ~~NONPAYMENT OF PREMIUM OR FOR ANY OTHER REASONS PERMITTED~~  
12 ~~PURSUANT TO RULES AND REGULATIONS PROMULGATED BY THE~~  
13 ~~COMMISSIONER. NO CANCELLATION OR REFUSAL TO RENEW BY ANY PERSON~~  
14 ~~SHALL BE EFFECTIVE UNLESS A WRITTEN NOTICE OF THE CANCELLATION~~  
15 ~~OR REFUSAL TO RENEW IS RECEIVED BY THE INSURED EITHER AT THE~~  
16 ~~ADDRESS SHOWN IN THE POLICY OR AT A FORWARDING ADDRESS. SUCH~~  
17 ~~NOTICE SHALL:~~

18 (9) CANCELLING ANY POLICY OF INSURANCE COVERING OWNER- <—  
19 OCCUPIED PRIVATE RESIDENTIAL PROPERTIES OR PERSONAL PROPERTY OF  
20 INDIVIDUALS THAT HAS BEEN IN FORCE FOR SIXTY DAYS OR MORE OR  
21 REFUSING TO RENEW ANY SUCH POLICY UNLESS THE POLICY WAS OBTAINED  
22 THROUGH MATERIAL MISREPRESENTATION, FRAUDULENT STATEMENTS,  
23 OMISSIONS OR CONCEALMENT OF FACT MATERIAL TO THE ACCEPTANCE OF  
24 THE RISK OR TO THE HAZARD ASSUMED BY THE COMPANY; OR THERE HAS  
25 BEEN A SUBSTANTIAL CHANGE OR INCREASE IN HAZARD IN THE RISK  
26 ASSUMED BY THE COMPANY SUBSEQUENT TO THE DATE THE POLICY WAS  
27 ISSUED; OR THERE IS A SUBSTANTIAL INCREASE IN HAZARDS INSURED  
28 AGAINST BY REASON OF WILFUL OR NEGLIGENT ACTS OR OMISSIONS BY  
29 THE INSURED; OR THE INSURED HAS FAILED TO PAY ANY PREMIUM WHEN  
30 DUE WHETHER SUCH PREMIUM IS PAYABLE DIRECTLY TO THE COMPANY OR

1 ITS AGENT OR INDIRECTLY UNDER ANY PREMIUM FINANCE PLAN OR  
2 EXTENSION OF CREDIT; OR FOR ANY OTHER REASONS APPROVED BY THE  
3 COMMISSIONER PURSUANT TO RULES AND REGULATIONS PROMULGATED BY  
4 THE COMMISSIONER. NO CANCELLATION OR REFUSAL TO RENEW BY ANY  
5 PERSON SHALL BE EFFECTIVE UNLESS A WRITTEN NOTICE OF THE  
6 CANCELLATION OR REFUSAL TO RENEW IS RECEIVED BY THE INSURED  
7 EITHER AT THE ADDRESS SHOWN IN THE POLICY OR AT A FORWARDING  
8 ADDRESS. SUCH NOTICE SHALL:

9 (I) BE APPROVED AS TO FORM BY THE INSURANCE COMMISSIONER  
10 PRIOR TO USE.

11 (II) STATE THE DATE, NOT LESS THAN THIRTY DAYS AFTER THE  
12 DATE OF DELIVERY OR MAILING ON WHICH SUCH CANCELLATION OR  
13 REFUSAL TO RENEW SHALL BECOME EFFECTIVE.

14 (III) STATE THE SPECIFIC REASON OR REASONS OF THE INSURER  
15 FOR CANCELLATION OR REFUSAL TO RENEW.

16 (IV) ADVISE THE INSURED OF HIS RIGHT TO REQUEST, IN WRITING,  
17 WITHIN TEN DAYS OF THE RECEIPT OF THE NOTICE OF CANCELLATION OR  
18 INTENTION NOT TO RENEW THAT THE INSURANCE COMMISSIONER REVIEW  
19 THE ACTION OF THE INSURER.

20 (V) ADVISE THE INSURED OF HIS POSSIBLE ELIGIBILITY FOR  
21 INSURANCE UNDER THE ACT OF JULY 31, 1968 (P.L.738, NO.233),  
22 KNOWN AS "THE PENNSYLVANIA FAIR PLAN ACT," OR THE PENNSYLVANIA  
23 ASSIGNED RISK PLAN.

24 (VI) ADVISE THE INSURED IN A FORM COMMONLY UNDERSTANDABLE OF  
25 THE PROVISIONS OF SUBPARAGRAPHS (II), (III) AND (IV) OF THIS  
26 PARAGRAPH AS THEY LIMIT PERMISSIBLE TIME AND REASONS FOR  
27 CANCELLATION.

28 (VII) ADVISE THE INSURED OF THE PROCEDURES TO BE FOLLOWED IN  
29 PROSECUTING AN APPEAL.

30 (10) ANY OF THE FOLLOWING ACTS IF COMMITTED OR PERFORMED

1 WITH SUCH FREQUENCY AS TO INDICATE A BUSINESS PRACTICE SHALL  
2 CONSTITUTE UNFAIR CLAIM SETTLEMENT OR COMPROMISE PRACTICES:

3 (I) MISREPRESENTING PERTINENT FACTS OR POLICY OR CONTRACT  
4 PROVISIONS RELATING TO COVERAGES AT ISSUE.

5 (II) FAILING TO ACKNOWLEDGE AND ACT PROMPTLY UPON WRITTEN OR  
6 ORAL COMMUNICATIONS WITH RESPECT TO CLAIMS ARISING UNDER  
7 INSURANCE POLICIES.

8 (III) FAILING TO ADOPT AND IMPLEMENT REASONABLE STANDARDS  
9 FOR THE PROMPT INVESTIGATION OF CLAIMS ARISING UNDER INSURANCE  
10 POLICIES.

11 (IV) REFUSING TO PAY CLAIMS WITHOUT CONDUCTING A REASONABLE  
12 INVESTIGATION BASED UPON ALL AVAILABLE INFORMATION.

13 (V) FAILING TO AFFIRM OR DENY COVERAGE OF CLAIMS WITHIN A  
14 REASONABLE TIME AFTER PROOF OF LOSS STATEMENTS HAVE BEEN  
15 COMPLETED AND COMMUNICATED TO THE COMPANY OR ITS REPRESENTATIVE.

16 (VI) NOT ATTEMPTING IN GOOD FAITH TO EFFECTUATE PROMPT, FAIR  
17 AND EQUITABLE SETTLEMENTS OF CLAIMS IN WHICH THE COMPANY'S  
18 LIABILITY UNDER THE POLICY HAS BECOME REASONABLY CLEAR.

19 (VII) COMPELLING PERSONS TO INSTITUTE LITIGATION TO RECOVER  
20 AMOUNTS DUE UNDER AN INSURANCE POLICY BY OFFERING SUBSTANTIALLY  
21 LESS THAN THE AMOUNTS DUE AND ULTIMATELY RECOVERED IN ACTIONS  
22 BROUGHT BY SUCH PERSONS.

23 (VIII) ATTEMPTING TO SETTLE A CLAIM FOR LESS THAN THE AMOUNT  
24 TO WHICH A REASONABLE MAN WOULD HAVE BELIEVED HE WAS ENTITLED BY  
25 REFERENCE TO WRITTEN OR PRINTED ADVERTISING MATERIAL  
26 ACCOMPANYING OR MADE PART OF AN APPLICATION.

27 (IX) ATTEMPTING TO SETTLE OR COMPROMISE CLAIMS ON THE BASIS  
28 OF AN APPLICATION WHICH WAS ALTERED WITHOUT NOTICE TO OR  
29 KNOWLEDGE OR CONSENT OF THE INSURED OF SUCH ALTERATION AT THE  
30 TIME SUCH ALTERATION WAS MADE.

1 (X) MAKING CLAIMS PAYMENTS TO INSURED OR BENEFICIARIES NOT  
2 ACCOMPANIED BY A STATEMENT SETTING FORTH THE COVERAGE UNDER  
3 WHICH PAYMENTS ARE BEING MADE.

4 (XI) MAKING KNOWN TO INSURED OR CLAIMANTS A POLICY OF  
5 APPEALING FROM ARBITRATION AWARDS IN FAVOR OF INSURED OR  
6 CLAIMANTS TO INDUCE OR COMPEL THEM TO ACCEPT SETTLEMENTS OR  
7 COMPROMISES LESS THAN THE AMOUNT AWARDED IN ARBITRATION.

8 (XII) DELAYING THE INVESTIGATION OR PAYMENT OF CLAIMS BY  
9 REQUIRING THE INSURED, CLAIMANT OR THE PHYSICIAN OF EITHER TO  
10 SUBMIT A PRELIMINARY CLAIM REPORT AND THEN REQUIRING THE  
11 SUBSEQUENT SUBMISSION OF FORMAL PROOF OF LOSS FORMS, BOTH OF  
12 WHICH SUBMISSIONS CONTAIN SUBSTANTIALLY THE SAME INFORMATION.

13 (XIII) FAILING TO PROMPTLY SETTLE CLAIMS, WHERE LIABILITY  
14 HAS BECOME REASONABLY CLEAR, UNDER ONE PORTION OF THE INSURANCE  
15 POLICY COVERAGE IN ORDER TO INFLUENCE SETTLEMENTS UNDER OTHER  
16 PORTIONS OF THE INSURANCE POLICY COVERAGE OR UNDER OTHER  
17 POLICIES OF INSURANCE.

18 (XIV) FAILING TO PROMPTLY PROVIDE A REASONABLE EXPLANATION  
19 OF THE BASIS IN THE INSURANCE POLICY IN RELATION TO THE FACTS OR  
20 APPLICABLE LAW FOR DENIAL OF A CLAIM OR FOR THE OFFER OF A  
21 COMPROMISE SETTLEMENT.

22 (XV) REFUSING PAYMENT OF A CLAIM SOLELY ON THE BASIS OF AN  
23 INSURED'S REQUEST TO DO SO UNLESS:

24 (A) THE INSURED CLAIMS SOVEREIGN, ELEEMOSYNARY, DIPLOMATIC,  
25 MILITARY SERVICE, OR OTHER IMMUNITY FROM SUIT OR LIABILITY WITH  
26 RESPECT TO SUCH CLAIM;

27 (B) THE INSURED IS GRANTED THE RIGHT UNDER THE POLICY OF  
28 INSURANCE TO CONSENT TO SETTLEMENT OF CLAIMS; OR

29 (C) THE REFUSAL OF PAYMENT IS BASED UPON THE INSURER'S  
30 INDEPENDENT EVALUATION OF THE INSURED'S LIABILITY BASED UPON ALL

1 AVAILABLE INFORMATION.

2 (XVI) ANY OTHER CLAIM SETTLEMENT OR COMPROMISE PRACTICE OR  
3 PATTERN OF OPERATION OR BEHAVIOR IN CLAIM SETTLEMENT OR  
4 COMPROMISE PRACTICE WHICH SIMILARLY DENIES OR CREATES THE  
5 LIKELIHOOD OF DENYING TO ANY INSURED OR CLAIMANT THE PROMPT,  
6 FAIR EQUITABLE AND REASONABLE RECOVERY OR PAYMENT OF ANY CLAIM.  
7 NO ACTION MAY BE BROUGHT UNDER THIS CLAUSE UNLESS THE  
8 COMMISSIONER HAS FIRST ESTABLISHED RULES AND REGULATIONS  
9 PROMULGATED PURSUANT TO THE ACT OF JULY 31, 1968 (P.L.769,  
10 NO.240), KNOWN AS THE "COMMONWEALTH DOCUMENTS LAW," DECLARING  
11 THE CONDUCT TO BE AN UNFAIR CLAIM SETTLEMENT OR COMPROMISE  
12 PRACTICE.

13 (11) FAILURE OF ANY PERSON TO MAINTAIN A COMPLETE RECORD OF  
14 ALL THE COMPLAINTS WHICH IT HAS RECEIVED DURING THE PRECEDING  
15 THREE YEARS OR SINCE THE DATE OF ITS LAST EXAMINATION, WHICHEVER  
16 TIME IS SHORTER. THIS RECORD SHALL INDICATE THE TOTAL NUMBER OF  
17 COMPLAINTS, THEIR CLASSIFICATION BY LINE OF INSURANCE, THE  
18 NATURE OF EACH COMPLAINT, THE DISPOSITION OF THESE COMPLAINTS  
19 AND THE TIME IT TOOK TO PROCESS EACH COMPLAINT. FOR PURPOSES OF  
20 THIS PARAGRAPH, "COMPLAINT" MEANS ANY WRITTEN COMMUNICATION  
21 PRIMARILY EXPRESSING A GRIEVANCE.

22 (12) MAKING FALSE OR FRAUDULENT STATEMENTS OR  
23 REPRESENTATIONS ON OR RELATIVE TO AN APPLICATION FOR AN  
24 INSURANCE POLICY, FOR THE PURPOSE OF OBTAINING A FEE,  
25 COMMISSION, MONEY OR OTHER BENEFIT FROM ANY INSURERS, AGENT,  
26 BROKER OR INDIVIDUAL.

27 (B) NOTHING IN SUBSECTION (A)(7) OR (8) OF THIS SECTION  
28 SHALL BE CONSTRUED AS INCLUDING WITHIN THE DEFINITION OF  
29 DISCRIMINATION OR REBATES ANY OF THE FOLLOWING PRACTICES:

30 (1) IN THE CASE OF ANY CONTRACT OF LIFE INSURANCE OR LIFE



1 ANNUITY, PAYING BONUSES TO POLICYHOLDERS OR OTHERWISE ABATING  
2 THEIR PREMIUMS OUT OF SURPLUS ACCUMULATED FROM NONPARTICIPATING  
3 INSURANCE IF ANY SUCH BONUSES OR ABATEMENT OF PREMIUMS ARE FAIR  
4 AND EQUITABLE TO POLICYHOLDERS AND FOR THE BEST INTERESTS OF THE  
5 COMPANY AND ITS POLICYHOLDERS;

6 (2) IN THE CASE OF LIFE INSURANCE POLICIES ISSUED ON THE  
7 INDUSTRIAL OR DEBIT PLAN, MAKING ALLOWANCE TO POLICYHOLDERS WHO  
8 HAVE CONTINUOUSLY FOR A SPECIFIED PERIOD MADE PREMIUM PAYMENTS  
9 DIRECTLY TO AN OFFICE OF THE INSURER IN AN AMOUNT WHICH FAIRLY  
10 REPRESENTS THE SAVING IN COLLECTION EXPENSE; OR

11 (3) READJUSTMENT OF THE RATE OF PREMIUM FOR A GROUP  
12 INSURANCE POLICY BASED ON THE LOSS OR EXPENSE EXPERIENCE  
13 THEREUNDER, AT THE END OF THE FIRST OR ANY SUBSEQUENT POLICY  
14 YEAR OF INSURANCE THEREUNDER, WHICH MAY BE MADE RETROACTIVE ONLY  
15 FOR SUCH POLICY YEAR.

16 (C) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (A)(9)  
17 NOTHING IN THIS ACT SHALL APPLY:

18 (1) IF THE INSURER HAS MANIFESTED ITS WILLINGNESS TO RENEW  
19 BY ISSUING OR OFFERING TO ISSUE A RENEWAL POLICY, CERTIFICATE OR  
20 OTHER EVIDENCE OF RENEWAL, INCLUDING THE MAILING OF A RENEWAL  
21 PREMIUM NOTICE TO THE INSURED NOT LESS THAN THIRTY DAYS IN  
22 ADVANCE OF THE EXPIRATION DATE OF THE POLICY.

23 (2) IF THE NAMED INSURED HAS DEMONSTRATED BY SOME OVERT  
24 ACTION TO THE INSURER OR ITS AGENT OTHER THAN MERE NONPAYMENT OF  
25 PREMIUM THAT HE WISHES THE POLICY TO BE CANCELLED OR THAT HE  
26 DOES NOT WISH THE POLICY TO BE RENEWED.

27 (3) TO ANY POLICY OF INSURANCE WHICH HAS BEEN IN EFFECT LESS  
28 THAN SIXTY DAYS, INCLUDING ANY NOTICE OF TERMINATION PERIOD,  
29 UNLESS IT IS A RENEWAL POLICY. ~~EXCEPT THAT NO INSURER SHALL~~  
30 ~~DECLINE TO CONTINUE IN FORCE SUCH A POLICY OF FIRE OR CASUALTY~~

<—

1 ~~INSURANCE SOLELY ON THE BASIS OF THE GROUNDS SET FORTH IN~~  
2 ~~SUBSECTION (A)(9).~~ ANY DECLINATION OF COVERAGE WITHIN THE SIXTY-  
3 DAY PERIOD PROVIDED IN THIS CLAUSE SHALL, FOR PURPOSES OF REVIEW  
4 BY THE INSURANCE COMMISSIONER, BE DEEMED A REFUSAL TO WRITE AND  
5 SHALL NOT BE SUBJECT TO THE PROVISIONS OF THIS SECTION.

6 (4) ANY INSURED MAY WITHIN TEN DAYS OF THE RECEIPT BY THE  
7 INSURED OF NOTICE OF CANCELLATION OR NOTICE OF INTENTION NOT TO  
8 RENEW, REQUEST IN WRITING TO THE INSURANCE COMMISSIONER THAT HE  
9 REVIEW THE ACTION OF THE INSURER IN CANCELLING OR REFUSING TO  
10 RENEW THE POLICY OF SUCH INSURED.

11 SECTION 6. NON-LIABILITY FOR STATEMENTS OR INFORMATION  
12 PROVIDED.--THERE SHALL BE NO LIABILITY ON THE PART OF AND NO  
13 CAUSE OF ACTION OF ANY NATURE SHALL ARISE AGAINST THE INSURANCE  
14 COMMISSIONER, ANY INSURER, THE AUTHORIZED REPRESENTATIVES,  
15 AGENTS AND EMPLOYEES OF EITHER, OR OF ANY FIRM, PERSON OR <—  
16 CORPORATION FURNISHING TO THE INSURER INFORMATION AS TO REASONS  
17 FOR CANCELLATION OR REFUSAL TO RENEW FOR ANY STATEMENT MADE BY  
18 THEM IN COMPLYING WITH THIS ACT OR FOR PROVIDING INFORMATION  
19 PERTAINING THERETO.

20 SECTION 7. POWER OF COMMISSIONER.--THE COMMISSIONER MAY  
21 EXAMINE AND INVESTIGATE THE AFFAIRS OF EVERY PERSON ENGAGED IN  
22 THE BUSINESS OF INSURANCE IN THIS STATE IN ORDER TO DETERMINE  
23 WHETHER SUCH PERSON HAS BEEN OR IS ENGAGED IN ANY UNFAIR METHOD  
24 OF COMPETITION OR IN ANY UNFAIR OR DECEPTIVE ACT OR PRACTICE  
25 PROHIBITED BY THIS ACT.

26 SECTION 8. ADMINISTRATIVE HEARING.--(A) IF, AS A RESULT OF  
27 INVESTIGATION, THE COMMISSIONER HAS GOOD CAUSE TO BELIEVE THAT  
28 ANY PERSON IS VIOLATING ANY PROVISION OF THIS ACT, WHETHER OR  
29 NOT DEFINED IN SECTION 5 OF THIS ACT, THE COMMISSIONER SHALL  
30 SEND NOTICE OF THE VIOLATION BY CERTIFIED MAIL TO THE PERSON

1 BELIEVED TO BE IN VIOLATION. THE NOTICE SHALL STATE THE TIME AND  
2 PLACE FOR HEARING WHICH SHALL NOT BE LESS THAN THIRTY DAYS FROM  
3 THE DATE OF SUCH NOTICE.

4 (B) AT THE TIME AND PLACE FIXED FOR THE HEARING IN THE  
5 NOTICE, THE PERSON SHALL HAVE AN OPPORTUNITY TO BE HEARD AND TO  
6 SHOW CAUSE WHY AN ORDER SHOULD NOT BE MADE BY THE COMMISSIONER  
7 TO CEASE AND DESIST FROM ACTS CONSTITUTING A VIOLATION OF THIS  
8 ACT AND WHY ADMINISTRATIVE PENALTIES SHOULD NOT BE ASSESSED.

9 (C) UPON GOOD CAUSE SHOWN, THE COMMISSIONER SHALL PERMIT ANY  
10 PERSON TO INTERVENE, APPEAR AND BE HEARD AT THE HEARING, EITHER  
11 IN PERSON OR BY COUNSEL.

12 (D) THE COMMISSIONER MAY ADMINISTER OATHS, EXAMINE AND  
13 CROSS-EXAMINE WITNESSES, RECEIVE ORAL AND DOCUMENTARY EVIDENCE  
14 AND SUBPOENA WITNESSES, COMPEL THEIR ATTENDANCE AND REQUIRE THE  
15 PRODUCTION OF BOOKS, PAPERS, RECORDS OR OTHER DOCUMENTS WHICH HE  
16 DEEMS RELEVANT TO THE HEARING. THE COMMISSIONER SHALL CAUSE A  
17 RECORD OF ALL EVIDENCE AND ALL PROCEEDINGS AT THE HEARING TO BE  
18 KEPT.

19 (E) FOLLOWING THE HEARING, THE COMMISSIONER SHALL ISSUE A  
20 WRITTEN ORDER RESOLVING THE FACTUAL ISSUES PRESENTED AT THE  
21 HEARING AND STATING WHAT REMEDIAL ACTION, IF ANY, IS REQUIRED OF  
22 THE PERSON CHARGED. THE COMMISSIONER SHALL SEND A COPY OF THE  
23 ORDER TO THOSE PERSONS PARTICIPATING IN THE HEARING.

24 SECTION 9. ADMINISTRATIVE PENALTY.--UPON A DETERMINATION BY  
25 HEARING THAT THIS ACT HAS BEEN VIOLATED, THE COMMISSIONER MAY  
26 ISSUE AN ORDER REQUIRING THE PERSON TO CEASE AND DESIST FROM  
27 ENGAGING IN SUCH VIOLATION OR, IF SUCH VIOLATION IS A METHOD OF  
28 COMPETITION, ACT OR PRACTICE DEFINED IN SECTION 5 OF THIS ACT,  
29 THE COMMISSIONER MAY SUSPEND OR REVOKE THE PERSON'S LICENSE.

30 SECTION 10. INJUNCTION.--IF THE ALLEGED VIOLATOR FAILS TO

1 COMPLY WITH AN ORDER OF THE COMMISSIONER FOLLOWING HEARING TO  
2 CEASE AND DESIST FROM UNFAIR METHODS OF COMPETITION OR AN UNFAIR  
3 OR DECEPTIVE ACT OR PRACTICE, THE COMMISSIONER MAY CAUSE AN  
4 ACTION FOR INJUNCTION TO BE FILED IN THE COMMONWEALTH COURT OR  
5 THE COURT OF COMMON PLEAS OF THE COUNTY IN WHICH THE VIOLATION  
6 OCCURRED.

7 SECTION 11. CIVIL PENALTIES.--IN ADDITION TO ANY PENALTIES  
8 IMPOSED PURSUANT TO THIS ACT, THE COURT MAY, IN AN ACTION FILED  
9 BY THE COMMISSIONER, IMPOSE THE FOLLOWING CIVIL PENALTIES:

10 (1) FOR EACH METHOD OF COMPETITION, ACT OR PRACTICE DEFINED  
11 IN SECTION 5 OF THIS ACT AND IN VIOLATION OF THIS ACT WHICH THE  
12 PERSON KNEW OR REASONABLY SHOULD HAVE KNOWN WAS SUCH A  
13 VIOLATION, A PENALTY OF NOT MORE THAN FIVE THOUSAND DOLLARS  
14 (\$5,000) FOR EACH VIOLATION BUT NOT TO EXCEED AN AGGREGATE  
15 PENALTY OF FIFTY THOUSAND DOLLARS (\$50,000) IN ANY SIX MONTH  
16 PERIOD;

17 (2) FOR EACH METHOD OF COMPETITION, ACT OR PRACTICE DEFINED  
18 IN SECTION 5 OF THIS ACT AND IN VIOLATION OF THIS ACT WHICH THE  
19 PERSON DID NOT KNOW NOR REASONABLY SHOULD HAVE KNOWN WAS SUCH A  
20 VIOLATION, A PENALTY OF NOT MORE THAN ONE THOUSAND DOLLARS  
21 (\$1,000) FOR EACH VIOLATION BUT NOT TO EXCEED AN AGGREGATE  
22 PENALTY OF TEN THOUSAND DOLLARS (\$10,000) IN ANY SIX MONTH  
23 PERIOD; AND

24 (3) FOR EACH VIOLATION OF AN ORDER ISSUED BY THE  
25 COMMISSIONER PURSUANT TO SECTION 9 OF THIS ACT, WHILE SUCH ORDER  
26 IS IN EFFECT, A PENALTY OF NOT MORE THAN TEN THOUSAND DOLLARS  
27 (\$10,000).

28 SECTION 12. JUDICIAL REVIEW.--(A) ANY PERSON AGGRIEVED BY  
29 THE DETERMINATION AND ORDER OF THE COMMISSIONER MAY APPEAL TO  
30 THE COMMONWEALTH COURT. ALL APPEALS SHALL BE UPON THE RECORD

1 MADE AT THE HEARING AND SHALL BE TAKEN TO THE COMMONWEALTH COURT  
2 WITHIN THIRTY DAYS AFTER THE ISSUANCE OF THE WRITTEN ORDER OF  
3 THE COMMISSIONER. THE PROCEDURE FOR PERFECTING AN APPEAL TO THE  
4 COMMONWEALTH COURT CONSISTS OF THE TIMELY FILING OF A NOTICE OF  
5 APPEAL, IN THE COMMONWEALTH COURT, WITH A COPY OF THE  
6 COMMISSIONER'S CHARGE, FINDINGS AND ORDER. THE APPELLANT SHALL  
7 CERTIFY IN HIS NOTICE OF APPEAL THAT ARRANGEMENTS HAVE BEEN MADE  
8 WITH THE COMMISSIONER FOR PREPARATION, AT THE APPELLANT'S  
9 EXPENSE, OF A SUFFICIENT NUMBER OF TRANSCRIPTS OF THE RECORD OF  
10 THE HEARING ON WHICH THE APPEAL DEPENDS, TO SUPPORT HIS APPEAL  
11 TO THE COURT, INCLUDING THREE COPIES WHICH HE SHALL FURNISH TO  
12 THE COMMISSIONER. SUCH APPEAL SHALL BE PROSECUTED IN THE SAME  
13 MANNER AS OTHER CIVIL CASES.

14 (B) UPON APPEAL, THE COMMONWEALTH COURT SHALL SET ASIDE THE  
15 COMMISSIONER'S ORDER ONLY IF FOUND TO BE:

16 (1) ARBITRARY, CAPRICIOUS OR AN ABUSE OF DISCRETION; OR

17 (2) OTHERWISE NOT IN ACCORDANCE WITH LAW.

18 (C) THE APPELLANT MAY APPLY TO THE COMMONWEALTH COURT FOR A  
19 STAY OF ENFORCEMENT OF THE COMMISSIONER'S ORDER PENDING THE  
20 DETERMINATION OF SUCH APPEAL. THE COMMONWEALTH COURT MAY, UPON  
21 HEARING BEFORE SUCH COURT AND UPON GOOD CAUSE SHOWN, GRANT SUCH  
22 STAY.

23 (D) ANY INTERVENOR IN THE HEARING PROCEEDINGS MAY, WITHIN  
24 THIRTY DAYS AFTER THE ISSUANCE OF THE COMMISSIONER'S ORDER,  
25 APPEAL TO THE COMMONWEALTH COURT IN THE MANNER PROVIDED IN THIS  
26 SECTION.

27 (E) ANY PARTY AGGRIEVED BY ANY FINAL JUDGMENT OF THE COURT  
28 OF COMMON PLEAS UNDER SECTION 11 OF THIS ACT MAY APPEAL TO THE  
29 COMMONWEALTH COURT AS IN OTHER CIVIL ACTIONS.

30 SECTION 13. PROVISIONS OF ACT ADDITIONAL TO EXISTING LAW.--

1 THE POWERS VESTED IN THE COMMISSIONER BY THIS ACT ARE ADDITIONAL  
2 TO ANY OTHER POWERS TO ENFORCE ANY PENALTIES, FINES OR  
3 FORFEITURES AUTHORIZED BY LAW WITH RESPECT TO THE METHODS, ACTS  
4 AND PRACTICES DECLARED TO BE UNFAIR AND DECEPTIVE.

5 SECTION 14. IMMUNITY FROM PROSECUTION.--IF ANY PERSON ASKS  
6 TO BE EXCUSED FROM ATTENDING AND TESTIFYING OR FROM PRODUCING  
7 ANY BOOKS, PAPERS, RECORDS, CORRESPONDENCE OR OTHER DOCUMENTS AT  
8 ANY HEARING ON THE GROUND THAT THE TESTIMONY OR EVIDENCE  
9 REQUIRED OF HIM MAY TEND TO INCRIMINATE HIM OR SUBJECT HIM TO A  
10 PENALTY OR FORFEITURE, AND SHALL NOTWITHSTANDING BE DIRECTED TO  
11 GIVE SUCH TESTIMONY OR PRODUCE SUCH EVIDENCE, HE MUST  
12 NONETHELESS, SUBJECT TO THE APPROVAL OF THE ATTORNEY GENERAL,  
13 COMPLY WITH SUCH DIRECTION, BUT HE SHALL NOT THEREAFTER BE  
14 PROSECUTED OR SUBJECTED TO ANY PENALTY OR FORFEITURE FOR OR ON  
15 ACCOUNT OF ANY TRANSACTION, MATTER OR THING CONCERNING WHICH HE  
16 MAY TESTIFY OR PRODUCE EVIDENCE PURSUANT THERETO, AND NO  
17 TESTIMONY SO GIVEN OR EVIDENCE PRODUCED SHALL BE RECEIVED  
18 AGAINST HIM UPON ANY CRIMINAL ACTION, INVESTIGATION OR  
19 PROCEEDING. HOWEVER, NO SUCH INDIVIDUAL SO TESTIFYING SHALL BE  
20 EXEMPT FROM PROSECUTION OR PUNISHMENT FOR ANY PERJURY COMMITTED  
21 BY HIM WHILE SO TESTIFYING AND THE TESTIMONY OR EVIDENCE SO  
22 GIVEN OR PRODUCED SHALL BE ADMISSIBLE AGAINST HIM IN ANY  
23 CRIMINAL ACTION, INVESTIGATION OR PROCEEDING CONCERNING SUCH  
24 PERJURY, NOR SHALL HE BE EXEMPT FROM THE REFUSAL, REVOCATION OR  
25 SUSPENSION OF ANY LICENSE, PERMISSION OR AUTHORITY CONFERRED, OR  
26 TO BE CONFERRED, PURSUANT TO THE INSURANCE LAW OF THIS STATE.  
27 ANY SUCH INDIVIDUAL MAY EXECUTE, ACKNOWLEDGE AND FILE IN THE  
28 OFFICE OF THE COMMISSIONER A STATEMENT EXPRESSLY WAIVING SUCH  
29 IMMUNITY OR PRIVILEGE IN RESPECT TO ANY TRANSACTION, MATTER OR  
30 THING SPECIFIED IN SUCH STATEMENT, AND THEREUPON THE TESTIMONY

1 OF SUCH PERSON OR SUCH EVIDENCE IN RELATION TO SUCH TRANSACTION,  
2 MATTER OR THING MAY BE RECEIVED OR PRODUCED BEFORE ANY JUDGE OR  
3 JUSTICE, COURT, TRIBUNAL, GRAND JURY OR OTHERWISE, AND IF SO  
4 RECEIVED AND PRODUCED, SUCH INDIVIDUAL SHALL NOT BE ENTITLED TO  
5 ANY IMMUNITY OR PRIVILEGE ON ACCOUNT OF ANY TESTIMONY HE MAY SO  
6 GIVE OR EVIDENCE SO PRODUCED.

7 SECTION 15. REPEALS.--(A) THE ACT OF JUNE 5, 1947 (P.L.445, <—  
8 NO.202), KNOWN AS "THE INSURANCE UNFAIR PRACTICES ACT," IS  
9 REPEALED ABSOLUTELY.

10 (B) ALL OTHER ACTS AND PARTS OF ACTS ARE REPEALED IN SO FAR  
11 AS THEY ARE INCONSISTENT HEREWITH.

12 SECTION ~~15~~ 16. EFFECTIVE DATE.--THIS ACT SHALL TAKE EFFECT <—  
13 IMMEDIATELY.