

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 439

Session of  
1977

INTRODUCED BY GARZIA, MARCH 2, 1977

REFERRED TO COMMITTEE ON INSURANCE, MARCH 2, 1977

AN ACT

1 Amending the act of June 5, 1968 (P.L.140, No.78), entitled "An  
2 act regulating the writing, cancellation of or refusal to  
3 renew policies of automobile insurance; and imposing powers  
4 and duties on the Insurance Commissioner therefor," further  
5 defining the grounds for termination of coverage; and by  
6 further defining the powers of the Insurance Commissioner.

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

9 Section 1. Sections 3, 4, 7 and 8, act of June 5, 1968  
10 (P.L.140, No.78), entitled "An act regulating the writing,  
11 cancellation of or refusal to renew policies of automobile  
12 insurance; and imposing powers and duties on the Insurance  
13 Commissioner therefor," are amended to read:

14 Section 3. No insurer shall cancel or refuse to write or  
15 renew a policy of automobile insurance [solely] because of the  
16 age, residence, race, color, creed, national origin, ancestry,  
17 marital status or lawful occupation (including the military  
18 service) of anyone who is or seeks to become insured or [solely]  
19 because another insurer has refused to write a policy, or has  
20 cancelled or has refused to renew an existing policy in which

1 that person was the named insured, or because the insured  
2 resides or operates a motor vehicle in a specific geographical  
3 area, or because of illness or permanent or temporary  
4 disability, unless the insurer can medically document that such  
5 illness will seriously impair the insured's ability to operate a  
6 motor vehicle, or because of only one accident within the  
7 thirty-six-month period prior to the date of the execution of  
8 the insurance policy, or because the insurer has been arrested  
9 or convicted for a civil or criminal offense, unless such  
10 offense seriously impairs the insured's ability to drive a motor  
11 vehicle, as the commissioner may by rule or regulation  
12 determine. Furthermore, no insurer shall in any way terminate a  
13 policy of automobile insurance without the expressed approval of  
14 the Insurance Commissioner, in the event that the commissioner  
15 finds that general market conditions make the fair and equitable  
16 replacement of the policy unreasonably difficult.

17 Section 4. No insurer shall cancel a policy except for one  
18 [or the other of] or more of the following specified reasons:

19 (1) Nonpayment of premium; [or]

20 (2) The driver's license or motor vehicle registration of  
21 the named insured has been under suspension or revocation during  
22 the policy period; the applicability of this reason to one who  
23 either is a resident in the same household or who customarily  
24 operates an automobile insured under the policy shall be proper  
25 reason for the insurer thereafter excluding such individual from  
26 coverage under the policy, but not for cancelling the policy; or

27 (3) A determination that the insured has concealed a  
28 material fact, or has made a material allegation contrary to  
29 fact, or has made a misrepresentation of material fact that was  
30 material to the acceptance of the risk by the insurer, and that

1 such concealment, allegation or misrepresentation was deliberate  
2 on the part of the insured.

3       Section 7. There shall be no liability on the part of and no  
4 cause of action of any nature shall arise against the Insurance  
5 Commissioner, any insurer, the authorized representatives,  
6 agents and employes of either or any firm, person or corporation  
7 furnishing to the insurer information as to reasons for  
8 cancellation or refusal to write or renew for any statement made  
9 by any of them in complying with this act or for the providing  
10 of information pertaining thereto. The insured must be furnished  
11 a copy of any credit report at reasonable cost, if any, upon  
12 request without liability attaching to the carrier.

13       Section 8. (a) Any insured may within ten days of the  
14 receipt by the insured of notice of cancellation or notice of  
15 intention not to renew, or of the receipt of the reason or  
16 reasons for the cancellation or refusal to renew if they were  
17 not stated in the notice, request in writing to the Insurance  
18 Commissioner that he review the action of the insurer in  
19 cancelling or refusing to renew the policy of such insured.

20       (b) Any applicant for a policy who is refused such policy by  
21 an insurer may in writing within ten days of notice of such  
22 refusal request the insurer to supply the reasons for such  
23 refusal. The insurer shall supply such reasons within five days  
24 of receipt by it of such request. Within ten days of the receipt  
25 of such reasons, the applicant may request in writing to the  
26 Insurance Commissioner that he review the action of the insurer  
27 in refusing to write a policy for the applicant.

28       (c) The Insurance Commissioner may intercede on behalf of an  
29 insured to prevent the termination of any insurance policy for  
30 any reason when he believes such termination to be improper, or

- 1 when general market conditions make fair and equitable
- 2 replacement of the policy unreasonably difficult.
- 3     Section 2. This act shall take effect immediately.