
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2863 Session of
1986

INTRODUCED BY FREIND, J. TAYLOR, SERAFINI, FOX, BURNS, REBER,
RAYMOND, DISTLER, CIVERA AND HAGARTY, OCTOBER 7, 1986

REFERRED TO COMMITTEE ON TRANSPORTATION, OCTOBER 7, 1986

AN ACT

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

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

6 Section 1. The definitions of "financial responsibility" and
7 "underinsured motor vehicle" in section 1702 of Title 75 of the
8 Pennsylvania Consolidated Statutes are amended to read:

9 § 1702. Definitions.

10 The following words and phrases when used in this chapter
11 shall have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 * * *

14 "Financial responsibility." The ability to respond in
15 damages for liability on account of accidents arising out of the
16 registration, maintenance or use of a motor vehicle in the
17 amount of \$15,000 because of injury to one person in any one
18 accident, in the amount of \$30,000 because of injury to two or

1 more persons in any one accident and in the amount of \$5,000
2 because of damage to property of others in any one accident. The
3 financial responsibility shall be in a form acceptable to the
4 Department of Transportation.

5 * * *

6 "Underinsured motor vehicle." A motor vehicle owned by
7 another party for which the available limits of [available]
8 liability insurance [and] for bodily injury or self-insurance
9 are insufficient to pay losses and damages for bodily injury
10 incurred and are less than the limits of liability insurance
11 carried by an injured claimant seeking payment of bodily injury
12 losses and damages.

13 * * *

14 Section 2. Sections 1711 and 1712(2)(i) of Title 75 are
15 amended to read:

16 § 1711. Required benefits.

17 An insurer issuing or delivering liability insurance policies
18 covering any motor vehicle of the type required to be registered
19 under this title, except recreational vehicles not intended for
20 highway use, motorcycles, motor-driven cycles or motorized
21 pedalcycles or like type vehicles, registered and operated in
22 this Commonwealth, [shall] may include additional coverage
23 [providing a medical benefit in the amount of \$10,000, an income
24 loss benefit up to a monthly maximum of \$1,000 up to a maximum
25 benefit of \$5,000 and a funeral benefit in the amount of \$1,500,
26 as defined in section 1712 (relating to availability of
27 benefits), with respect to injury arising out of the maintenance
28 or use of a motor vehicle. The income loss benefit provided
29 under this section may be expressly waived by the named insured
30 provided the named insured has no expectation of actual income

loss due to age, disability or lack of employment history.], at the option of the named insured or registered owner of the motor vehicle, to provide:

(1) A medical expense benefit of not less than \$2,500.

(2) An income loss benefit of not more than 75% of the insured's average monthly gross earnings.

(3) A funeral expense benefit under section 1712(4) (relating to availability of benefits) of not more than \$5,000.

(4) An accidental death benefit in an amount selected by the insured.

§ 1712. Availability of benefits.

An insurer issuing or delivering liability insurance policies covering any motor vehicle of the type required to be registered under this title, except recreational vehicles not intended for highway use, motorcycles, motor-driven cycles or motorized pedalcycles or like type vehicles, registered and operated in this Commonwealth, shall make available for purchase first party benefits with respect to injury arising out of the maintenance or use of a motor vehicle as follows:

* * *

(2) Income loss benefit.--Includes the following:

(i) [Eighty percent] A maximum of 75% of actual loss of gross income.

* * *

Section 3. Title 75 is amended by adding a section to read:

§ 1712.1. Difference in conditions.

An insurer which issues or delivers a liability insurance policy covering a motor vehicle of the type required to be registered under this title and which is subject to the

1 provisions of this chapter shall make available for purchase
2 coverage for the difference in conditions between medical
3 benefits under section 1712(1) (relating to availability of
4 benefits) and any other available source of accident and health
5 benefits, including benefits otherwise carried by or provided on
6 behalf of the insured under a program, group contract or other
7 arrangement under section 1719(b) (relating to coordination of
8 benefits).

9 Section 4. Sections 1714 and 1715(a) of Title 75 are amended
10 to read:

11 § 1714. Ineligible claimants.

12 An owner of a currently registered motor vehicle who does not
13 have financial responsibility or an operator or occupant of a
14 recreational vehicle not intended for highway use, motorcycle,
15 motor-driven cycle, motorized pedalcycle or like type vehicle
16 required to be registered under this title cannot recover first
17 party benefits with respect to the maintenance and use of a
18 vehicle for which the owner does not have financial
19 responsibility.

20 § 1715. Availability of adequate limits.

21 (a) General rule.--An insurer [shall make available for
22 purchase first party benefits as follows:

23 (1) For medical benefits, up to at least \$100,000.

24 (2) For income loss benefits, up to at least \$2,500 per
25 month up to a maximum benefit of at least \$50,000.

26 (3) For accidental death benefits, up to at least
27 \$25,000.

28 (4) For funeral benefits, \$2,500.

29 (5) For combination of benefits enumerated in paragraphs
30 (1) through (4) and subject to a limit on the accidental

1 death benefit of up to \$25,000 and a limit on the funeral
2 benefit of \$2,500, up to at least \$277,500 of benefits in the
3 aggregate or benefits payable up to three years from the date
4 of the accident, whichever occurs first.] which issues or
5 delivers a liability insurance policy covering a motor
6 vehicle of the type required to be registered under this
7 title and which is subject to this chapter shall make
8 available for purchase first party benefits under section
9 1711 (relating to required benefits) separately or in
10 combination, in amounts or limits that an owner of a motor
11 vehicle may reasonably request and under forms and conditions
12 approved by the Insurance Commissioner. First party benefits
13 may be provided in combination with a policy that contains
14 coverage for liability insurance at least equal to the limits
15 required for financial responsibility, or they may be
16 provided separately.

17 * * *

18 Section 5. Section 1723 of Title 75 is repealed.

19 Section 6. Section 1731(a) of Title 75 is amended to read:

20 § 1731. Scope and amount of coverage.

21 (a) General rule.--No motor vehicle liability insurance
22 policy shall be delivered or issued for delivery in this
23 Commonwealth, with respect to any motor vehicle registered or
24 principally garaged in this Commonwealth, unless it provides
25 coverages for uninsured [motorist] motorists and underinsured
26 [motorist coverages are provided] motorists therein or
27 supplemental thereto in amounts at least equal to the minimum
28 limits of bodily injury liability [coverage except as provided
29 in section 1734 (relating to request for lower or higher limits
30 of coverage)] required for financial responsibility.

1 * * *

2 Section 7. Title 75 is amended by adding a section to read:

3 § 1732.1. Stacking prohibited.

4 Uninsured motorist and underinsured motorist limits may not
5 be increased by stacking the limits of coverages of:

6 (1) Multiple motor vehicles covered under the same
7 policy of insurance.

8 (2) Multiple motor vehicle insurance policies covering
9 the insured for the same loss.

10 Section 8. Section 1734 of Title 75 is repealed.

11 Section 9. Section 1791 of Title 75 is amended to read:

12 § 1791. Notice of available benefits and limits.

13 It shall be presumed that the insured has been [advised]
14 informed of the benefits and limits available under this chapter
15 provided the following notice in bold print of at least ten-
16 point type is given to the applicant at the time of application
17 for original coverage or at the time of the first renewal after
18 October 1, [1984] 1987, and no other notice or rejection shall
19 be required:

20 IMPORTANT NOTICE

21 Insurance companies operating in the Commonwealth of
22 Pennsylvania are required by law to make available for
23 purchase the following [benefits for you, your spouse or
24 other relatives or minors in your custody or in the
25 custody of your relatives, residing in your household,
26 occupants of your motor vehicle or persons struck by your
27 motor vehicle:

28 (1) Medical benefits, up to at least \$100,000.

29 (2) Income loss benefits, up to at least \$2,500 per
30 month up to a maximum benefit of at least \$50,000.

1 (3) Accidental death benefits, up to at least
2 \$25,000.

3 (4) Funeral benefits, \$2,500.

4 (5) As an alternative to paragraphs (1) through (4),
5 a combination benefit, up to at least \$277,500 of
6 benefits in the aggregate or benefits payable up to three
7 years from the date of the accident, whichever occurs
8 first, subject to a limit on accidental death benefit of
9 up to \$25,000 and a limit on funeral benefit of \$2,500.

10 (6) Uninsured, underinsured and bodily injury
11 liability coverage up to at least \$100,000 because of
12 injury to one person in any one accident and up to at
13 least \$300,000 because of injury to two or more persons
14 in any one accident or, at the option of the insurer, up
15 to at least \$300,000 in a single limit for these
16 coverages, except for policies issued under the Assigned
17 Risk Plan. Also, at least \$5,000 for damage to property
18 of others in any one accident.
19 Additionally, insurers may offer higher benefit levels
20 than those enumerated above as well as additional
21 benefits. However, an insured may elect to purchase lower
22 benefit levels than those enumerated above.

23 Your signature on this notice or your payment of any
24 renewal premium evidences your actual knowledge and
25 understanding of the availability of these benefits and
26 limits as well as the benefits and limits you have
27 selected.] minimum insurance coverages:

28 (1) Bodily injury liability insurance of not less
29 than:

30 (i) \$15,000 because of injury to one person in

1 any one accident and \$30,000 because of injury to two
2 or more persons in any one accident.

3 (ii) Property damage liability insurance of not
4 less than \$5,000 because of damage to property of
5 others in any one accident.

6 (2) Medical expense benefits of not less than
7 \$2,500.

8 (3) Optional income loss benefits, not to exceed 75%
9 of actual gross income, for a period of time not
10 exceeding one year.

11 (4) Optional accidental death benefits, in such
12 amounts as you may select.

13 (5) Optional funeral expense benefits, not to exceed
14 \$5,000.

15 (6) Uninsured and underinsured motorist coverage, of
16 not less than the minimum bodily injury liability limits
17 required for financial responsibility.

18 (7) Optional coverage, as defined in section 1712.1,
19 to provide coverage for the difference in conditions
20 between statutory medical benefits, as defined in section
21 1712.1, and any other source of accident and health
22 benefits available to the insured.

23 Bodily injury liability and property damage liability
24 insurance, and at least \$2,500 in medical expense
25 benefits coverage, and uninsured and underinsured
26 motorist coverage, are required to satisfy the legal
27 requirements of the law.

28 Insurance companies are required, by law, to offer
29 additional benefits and coverages, as well as higher
30 benefit levels than those described. You should review,

1 carefully, your specific automobile insurance need with
2 your insurance company representative to determine what
3 additional benefits or higher benefit levels you may
4 need.

5 Because your individual circumstances may change, and
6 thereby require changes in your insurance program, you
7 should arrange to have your insurer representative review
8 your insurance program, at least once each year, after
9 the receipt of this notice, to be certain your insurance
10 coverage meets your needs.

11 Section 10. Section 1798(c) of Title 75 is amended to read:

12 § 1798. Attorney fees and costs.

13 * * *

14 (c) Payment by fund.--The Catastrophic Loss Trust Fund may
15 award the successful claimant's attorney a reasonable fee based
16 upon actual time expended because a claimant is unable to
17 otherwise pay the fees and costs.

18 * * *

19 Section 11. This act shall take effect in 60 days.