
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2837

Session of
1990

INTRODUCED BY CHADWICK, McVERRY, JACKSON, G. SNYDER, GODSHALL,
COY, NOYE, D. W. SNYDER, TRELLO, SEMMEL, MERRY, LEH,
TANGRETTI, CARLSON, STABACK, HESS, D. F. CLARK, B. SMITH,
BRANDT, MELIO, COLE, JOHNSON, BUSH, MORRIS, RUDY AND
MICHLOVIC, JULY 1, 1990

REFERRED TO COMMITTEE ON INSURANCE, JULY 1, 1990

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 providing for grounds for cancellation.

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

8 Section 1. Section 4 of the act of June 5, 1968 (P.L.140,
9 No.78), entitled "An act regulating the writing, cancellation of
10 or refusal to renew policies of automobile insurance; and
11 imposing powers and duties on the Insurance Commissioner
12 therefor," amended October 5, 1978 (P.L.1060, No.248), is
13 amended to read:

14 Section 4. (a) No insurer shall cancel a policy except for
15 one or more of the following specified reasons:

16 (1) Nonpayment of premium;

17 (2) The driver's license or motor vehicle registration of
18 the named insured has been under suspension or revocation during

1 the policy period; the applicability of this reason to one who
2 either is a resident in the same household or who customarily
3 operates an automobile insured under the policy shall be proper
4 reason for the insurer thereafter excluding such individual from
5 coverage under the policy, but not for cancelling the policy; or

6 (3) A determination that the insured has concealed a
7 material fact, or has made a material allegation contrary to
8 fact, or has made a misrepresentation of a material fact and
9 that such concealment, allegation or misrepresentation was
10 material to the acceptance of the risk by the insurer.

11 (b) For purposes of this section, "nonpayment of premium"
12 shall mean the failure of the named insured to pay when due any
13 of his obligations in connection with the payment of premiums on
14 a policy, or any installment of the premium, whether the premium
15 is payable directly to the insurer or to its agent or broker or
16 indirectly under a premium finance plan or extension of credit,
17 or the failure of the named insured to maintain membership in an
18 organization if membership in such organization is a condition
19 precedent to acquiring or maintaining coverage under the policy.

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