
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2519

Session of
1992

INTRODUCED BY OLIVER, MURPHY, ROEBUCK, COWELL, BISHOP, THOMAS,
BUTKOVITZ AND JAMES, MARCH 18, 1992

SENATOR HOLL, BANKING AND INSURANCE, IN SENATE, AS AMENDED,
NOVEMBER 17, 1992

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, further providing for required financial
3 responsibility and for self-insurance.

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

6 Section 1. Sections 1786 and 1787 of Title 75 of the
7 Pennsylvania Consolidated Statutes are amended to read:

8 § 1786. Required financial responsibility.

9 (a) General rule.--Every motor vehicle of the type required
10 to be registered under this title which is operated or currently
11 registered shall be covered by financial responsibility.

12 (b) Self-certification.--The Department of Transportation
13 shall require that each motor vehicle registrant certify that
14 the registrant is financially responsible at the time of
15 registration or renewal thereof. The department shall refuse to
16 register or renew the registration of a vehicle for failure to
17 comply with this requirement or falsification of self-

1 certification.

2 (c) Consent to produce proof of financial responsibility.--

3 Upon registering a motor vehicle or renewing a motor vehicle
4 registration, the owner of the motor vehicle shall be deemed to
5 have given consent to produce proof, upon request, to the
6 Department of Transportation or a police officer that the
7 vehicle registrant has the financial responsibility required by
8 this chapter.

9 (d) Suspension of registration and operating privilege.--The
10 Department of Transportation shall suspend the registration of a
11 vehicle if it determines the required financial responsibility
12 was not secured as required by this chapter and shall suspend
13 the operating privilege of the owner or registrant for a period
14 of three months if the department determines that the owner or
15 registrant has operated or permitted the operation of the
16 vehicle without the required financial responsibility. The
17 operating privilege shall not be restored until the restoration
18 fee for operating privilege provided by section 1960 (relating
19 to reinstatement of operating privilege or vehicle registration)
20 is paid. Whenever the department revokes or suspends the
21 registration of any vehicle under this chapter, the department
22 shall not restore the registration until the vehicle owner
23 furnishes proof of financial responsibility in a manner
24 determined by the department and submits an application for
25 registration to the department, accompanied by the fee for
26 restoration of registration provided by section 1960. This
27 subsection shall not apply in the following circumstances:

28 (1) The owner or registrant proves to the satisfaction
29 of the department that the lapse in financial responsibility
30 coverage was for a period of less than [21] 31 days and that

1 the owner or registrant did not operate or permit the
2 operation of the vehicle during the period of lapse in
3 financial responsibility.

4 (2) The owner or registrant is a member of the armed
5 services of the United States, the owner or registrant has
6 previously had the financial responsibility required by this
7 chapter, financial responsibility had lapsed while the owner
8 or registrant was on temporary, emergency duty and the
9 vehicle was not operated during the period of lapse in
10 financial responsibility. The exemption granted by this
11 paragraph shall continue for 30 days after the owner or
12 registrant returns from duty as long as the vehicle is not
13 operated until the required financial responsibility has been
14 established.

15 (3) The owner or registrant proves to the department
16 that the lapse in financial responsibility coverage was due
17 to the hospitalization in critical condition of the owner or
18 registrant.

19 (e) Obligations upon termination of financial
20 responsibility.--

21 (1) An owner of a motor vehicle who ceases to maintain
22 financial responsibility on a registered vehicle shall not
23 operate or permit operation of the vehicle in this
24 Commonwealth until proof of the required financial
25 responsibility has been provided to the Department of
26 Transportation.

27 (2) An insurer who has issued a contract of motor
28 vehicle liability insurance, or any approved self-insurance
29 entity, shall notify the department in a timely manner and in
30 a method prescribed by the department's regulations.

1 (3) An insurer who has issued a contract of motor
2 vehicle liability insurance and knows or has reason to
3 believe that the contract is only for the purpose of
4 providing proof of financial responsibility shall notify the
5 department if the insurance has been canceled or terminated
6 by the insured or by the insurer. The insurer shall notify
7 the department not later than ten days following the
8 effective date of the cancellation or termination.

9 (4) A person who, after maintaining financial
10 responsibility on the vehicle of another person, ceases to
11 maintain such financial responsibility shall immediately
12 notify the vehicle's owner who shall not operate, or permit
13 operation of, the vehicle in this Commonwealth.

14 (5) In the case of a person who leases any motor vehicle
15 from a person engaged in the business of leasing motor
16 vehicles, the lessee shall sign a statement indicating that
17 the required financial responsibility has been provided
18 through the lessor or through the lessee's motor vehicle
19 liability insurance policy coverage. The lessee shall submit
20 the statement to the lessor.

21 ~~(6) An insurer who has issued contract of motor vehicle~~ <—
22 ~~liability insurance shall, by affidavit, inform the~~
23 ~~department of the date financial responsibility was~~
24 ~~terminated and of the subsequent date financial~~
25 ~~responsibility was obtained.~~

26 (f) Operation of a motor vehicle without required financial
27 responsibility.--Any owner of a motor vehicle for which the
28 existence of financial responsibility is a requirement for its
29 legal operation shall not operate the motor vehicle or permit it
30 to be operated upon a highway of this Commonwealth without the

1 financial responsibility required by this chapter. In addition
2 to the penalties provided by subsection (d), any person who
3 fails to comply with this subsection commits a summary offense
4 and shall, upon conviction, be sentenced to pay a fine of \$300.

5 (g) Defenses.--

6 (1) No person shall be convicted of failing to produce
7 proof of financial responsibility under this subchapter or
8 section 3743 (relating to accidents involving damage to
9 attended vehicle or property) or 6308 (relating to
10 investigation by police officers) if the person produces, at
11 the office of the issuing authority within five days of the
12 date of the violation, proof that he possessed the required
13 financial responsibility at the time of the violation.

14 (2) No person shall be penalized for maintaining a
15 registered motor vehicle without financial responsibility
16 under subsection (d) if the registration and license plates
17 were surrendered to the Department of Transportation at the
18 time insurance coverage terminated or financial
19 responsibility lapsed.

20 (h) Reinstatement of voluntarily surrendered registration
21 plate and card.--

22 (1) Except as provided in paragraph (2), the original
23 registration plate and card shall be canceled by the
24 department and destroyed. Any person who voluntarily
25 surrendered a registration plate and card pursuant to the
26 provisions of subsection (g)(2) may obtain a substitute
27 registration plate and card bearing a registration number
28 other than that originally issued from the department or an
29 agent, as the case may be. Proof of financial responsibility
30 in a form approved by the department shall be submitted.

1 (2) Any registration plate issued under sections 1340
2 (relating to antique and classic plates) and 1341 (relating
3 to personal plate) shall be returned by the department to the
4 owner of the motor vehicle upon receipt of proof of financial
5 responsibility.

6 (3) An agent appointed by the department to issue
7 temporary registration cards and plates pursuant to
8 regulations promulgated by the department shall be authorized
9 to issue substitute temporary registration plates provided
10 proof of financial responsibility is furnished. The fees
11 provided pursuant to sections 1929 (relating to replacement
12 registration plates) and 1932 (relating to duplicate
13 registration cards) shall not be charged if the original
14 registration plate and card were canceled pursuant to
15 paragraph (1).

16 § 1787. Self-insurance.

17 (a) General rule.--Self-insurance is effected by filing with
18 the Department of Transportation, in satisfactory form, evidence
19 that reliable financial arrangements, deposits, resources or
20 commitments exist such as will satisfy the department that the
21 self-insurer will:

22 (1) Provide the benefits required by section 1711
23 (relating to required benefits), subject to the provisions of
24 Subchapter B (relating to motor vehicle liability insurance
25 first party benefits), except the additional benefits and
26 limits provided in sections 1712 (relating to availability of
27 benefits) and 1715 (relating to availability of adequate
28 limits).

29 (2) Make payments sufficient to satisfy judgments as
30 required by section 1774 (relating to payments sufficient to

1 satisfy judgments).

2 (3) Provide uninsured motorist coverage up to the limits
3 set forth in section 1774.

4 (a.1) Special rule.--A statement of account from a Federal
5 reserve bank which holds sufficient collateral of the self-
6 insurance is sufficient to satisfy the general rule set forth in
7 subsection (a) if both the following requirements are satisfied:

8 (1) The collateral is sufficient to enable the self-
9 insured to comply with subsection (a)(1), (2) and (3).

10 (2) The self-insured notifies the department promptly of
11 a change in the status of the account.

12 (b) Stacking limits prohibited.--Any recovery of uninsured
13 motorist benefits under this section only shall not be increased
14 by stacking the limits provided in section 1774, in
15 consideration of the ownership or operation of multiple vehicles
16 or otherwise.

17 (c) Assigned Risk and Assigned Claims Plans.--Self-insurers
18 shall not be required to accept assigned risks pursuant to
19 Subchapter D (relating to Assigned Risk Plan) or contribute to
20 the Assigned Claims Plan pursuant to Subchapter E (relating to
21 Assigned Claims Plan).

22 (e) Promulgation of regulations, etc.--The Department of
23 Transportation may, jointly with the Insurance Department,
24 promulgate rules, regulations, guidelines, procedures or
25 standards for reviewing and establishing the financial
26 eligibility of self-insurers.

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