

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 381 Session of 1999

INTRODUCED BY REINARD AND MICOZZIE, FEBRUARY 8, 1999

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 8, 1999

AN ACT

1 Amending the act of July 22, 1974 (P.L.589, No.205), entitled
 2 "An act relating to unfair insurance practices; prohibiting
 3 unfair methods of competition and unfair or deceptive acts
 4 and practices; and prescribing remedies and penalties,"
 5 further providing for unfair or deceptive acts or practices.

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

8 Section 1. Section 5(c)(3) of the act of July 22, 1974
 9 (P.L.589, No.205), known as the Unfair Insurance Practices Act,
 10 is amended to read:

11 Section 5. Unfair Methods of Competition and Unfair or
 12 Deceptive Acts or Practices Defined.--* * *

13 (c) Nothing in subsection (a)(9) of this section shall
 14 apply:

15 * * *

16 (3) To any policy or bound application of insurance which
 17 has been in effect less than sixty days, including any notice of
 18 termination period, unless it is a renewal policy. The insured
 19 or applicant shall receive written notice of any declination of

1 coverage stating the reasons, which must be complete as to why
2 the insured or applicant fails to qualify or no longer qualifies
3 for the policy of insurance. Any declination of coverage within
4 the sixty-day period provided in this clause shall, for purposes
5 of review by the Insurance Commissioner, be deemed a refusal to
6 write and shall not be subject to the provisions of subsection
7 (a)(9) of this section.

8 * * *

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