
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2727 Session of
2020

INTRODUCED BY T. DAVIS, GALLOWAY, McNEILL, HILL-EVANS, ULLMAN,
DELLOSO, DeLUCA, ROZZI, DRISCOLL, SCHWEYER, WARREN, SANCHEZ,
CIRESI, FRANKEL, KORTZ, DONATUCCI, HOWARD, FREEMAN, DALEY,
MADDEN AND YOUNGBLOOD, JULY 30, 2020

REFERRED TO COMMITTEE ON INSURANCE, JULY 30, 2020

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 methods of competition and
6 unfair or deceptive acts or practices defined.

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

9 Section 1. Section 5(a) of the act of July 22, 1974
10 (P.L.589, No.205), known as the Unfair Insurance Practices Act,
11 is amended by adding a paragraph to read:

12 Section 5. Unfair Methods of Competition and Unfair or
13 Deceptive Acts or Practices Defined.--(a) "Unfair methods of
14 competition" and "unfair or deceptive acts or practices" in the
15 business of insurance means:

16 * * *

17 (15) Canceling a policy of insurance of an insured for
18 nonpayment of a premium during a state of disaster emergency
19 declared under 35 Pa.C.S. § 7301(c) (relating to general

1 authority of Governor) that impacts a geographic area or
2 business segment in which the insured, at the time of the
3 disaster emergency, resided or was employed, without providing
4 the insured with a ninety-day grace period for payment of the
5 premium from the date that the premium was originally due. The
6 following shall apply:

7 (i) Any premium that has been deferred during the grace
8 period shall be due upon the expiration of the policy term but
9 may be paid by the insured in installments over the remainder of
10 the policy period.

11 (ii) If the insured cancels the policy prior to the full
12 payment of the premium deferred during the grace period, the
13 remaining amount of the premium deferred shall be due
14 immediately.

15 (iii) When a conflict exists between this paragraph and any
16 other Federal or State law or regulation regarding grace periods
17 for payment of an insurance premium, the law or regulation
18 providing greater protection to the insured shall be deemed to
19 supersede the other conflicting law or regulation.

20 (iv) Nothing in this section shall be construed to prohibit
21 an insurer from establishing a payment plan with an insured.

22 (v) An insurer may not refuse to renew or offer a policy of
23 insurance solely on the basis that the insured utilized the
24 grace period as specified in this paragraph, other than for
25 failure to pay the deferred premium when due.

26 * * *

27 Section 2. This act shall take effect immediately.