

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1991 Session of
2003

INTRODUCED BY MAITLAND, LEACH AND SOLOBAY, SEPTEMBER 16, 2003

REFERRED TO COMMITTEE ON INSURANCE, SEPTEMBER 16, 2003

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, further defining "financial responsibility";
3 providing for adjustment of financial responsibility; and
4 further providing for additional coverage, for payments
5 sufficient to satisfy judgments, for notice of available
6 benefits and limits and for availability of uninsured,
7 underinsured, bodily injury liability and property damage
8 coverages and mandatory deductibles.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The definition of "financial responsibility" in
12 section 1702 of Title 75 of the Pennsylvania Consolidated
13 Statutes is amended to read:

14 § 1702. Definitions.

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

18 * * *

19 "Financial responsibility." The ability to respond in
20 damages for liability on account of accidents arising out of the
21 maintenance or use of a motor vehicle in the amount of [\$15,000]

1 \$50,000, as adjusted by the Insurance Department pursuant to
2 section 1706 (relating to adjustment of financial
3 responsibility), because of injury to one person in any one
4 accident, in the amount of [\$30,000] \$100,000, as adjusted by
5 the Insurance Department pursuant to section 1706, because of
6 injury to two or more persons in any one accident and in the
7 amount of [\$5,000] \$10,000 because of damage to property of
8 others in any one accident. The financial responsibility shall
9 be in a form acceptable to the Department of Transportation.

10 * * *

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

12 § 1706. Adjustment of financial responsibility.

13 The Insurance Department shall adjust the amounts of coverage
14 in the definition of "financial responsibility" under section
15 1702 (relating to definitions) which are applicable either to
16 injury to one person in any one accident or to injury to two or
17 more persons in any one accident. These amounts shall be
18 adjusted on July 1, 2004, and annually thereafter, by the rate
19 of change in the Consumer Price Index for Urban Wage Earners for
20 the immediately preceding calendar year, as reported by the
21 United States Department of Labor Bureau of Labor and
22 Statistics. The department shall publish the adjustments as a
23 notice in the Pennsylvania Bulletin.

24 Section 3. Sections 1754, 1774(a), 1791 and 1792(a) of Title
25 75 are amended to read:

26 § 1754. Additional coverage.

27 An eligible claimant who has no other source of applicable
28 uninsured motorist coverage and is otherwise entitled to recover
29 in an action in tort against a party who has failed to comply
30 with this chapter may recover for losses or damages suffered as

1 a result of the injury up to [~~\$15,000~~] \$50,000, as adjusted by
2 the Insurance Department pursuant to section 1706 (relating to
3 adjustment of financial responsibility), subject to an aggregate
4 limit for all claims arising out of any one motor vehicle
5 accident of [~~\$30,000~~] \$100,000, as adjusted by the Insurance
6 Department pursuant to section 1706. If a claimant recovers
7 medical benefits under section 1753 (relating to benefits
8 available), the amount of medical benefits recovered or
9 recoverable up to \$5,000 shall be set off against any amounts
10 recoverable in this section.

11 § 1774. Payments sufficient to satisfy judgments.

12 (a) General rule.--For the purpose of this chapter only,
13 judgments shall be deemed satisfied upon the occurrence of one
14 of the following:

15 (1) When [~~\$15,000~~] \$50,000, as adjusted by the Insurance
16 Department pursuant to section 1706 (relating to adjustment
17 of financial responsibility), has been credited upon any
18 judgment or judgments rendered in excess of that amount
19 because of injury to one person as the result of any one
20 accident.

21 (2) When [~~\$30,000~~] \$100,000, as adjusted by the
22 Insurance Department pursuant to section 1706, has been
23 credited upon any judgment or judgments rendered in excess of
24 that amount because of injury to two or more persons as the
25 result of any one accident.

26 (3) When [~~\$5,000~~] \$10,000 has been credited upon any
27 judgment or judgments rendered in excess of that amount
28 because of damage to property of others as the result of any
29 one accident.

30 * * *

1 § 1791. Notice of available benefits and limits.

2 It shall be presumed that the insured has been advised of the
3 benefits and limits available under this chapter provided the
4 following notice in bold print of at least ten-point type is
5 given to the applicant at the time of application for original
6 coverage, and no other notice or rejection shall be required:

7 IMPORTANT NOTICE

8 Insurance companies operating in the Commonwealth of
9 Pennsylvania are required by law to make available for
10 purchase the following benefits for you, your spouse or
11 other relatives or minors in your custody or in the
12 custody of your relatives, residing in your household,
13 occupants of your motor vehicle or persons struck by your
14 motor vehicle:

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

16 (1.1) Extraordinary medical benefits, from \$100,000
17 to \$1,100,000 which may be offered in increments of
18 \$100,000.

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

21 (3) Accidental death benefits, up to at least
22 \$25,000.

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

24 (5) As an alternative to paragraphs (1), (2), (3)
25 and (4), a combination benefit, up to at least \$177,500
26 of benefits in the aggregate or benefits payable up to
27 three years from the date of the accident, whichever
28 occurs first, subject to a limit on accidental death
29 benefit of up to \$25,000 and a limit on funeral benefit
30 of \$2,500, provided that nothing contained in this

subsection shall be construed to limit, reduce, modify or change the provisions of section 1715(d) (relating to availability of adequate limits).

(6) Uninsured, underinsured and bodily injury liability coverage up to at least \$100,000 because of injury to one person in any one accident and up to at least \$300,000 because of injury to two or more persons in any one accident or, at the option of the insurer, up to at least \$300,000 in a single limit for these coverages, except for policies issued under the Assigned Risk Plan. Also, at least [\$5,000] \$10,000 for damage to property of others in any one accident.

Additionally, insurers may offer higher benefit levels than those enumerated above as well as additional benefits. However, for certain benefits, an insured may elect to purchase lower benefit levels than those enumerated above.

Your signature on this notice or your payment of any renewal premium evidences your actual knowledge and understanding of the availability of these benefits and limits as well as the benefits and limits you have selected.

If you have any questions or you do not understand all of the various options available to you, contact your agent or company.

If you do not understand any of the provisions contained in this notice, contact your agent or company before you sign.

§ 1792. Availability of uninsured, underinsured, bodily injury liability and property damage coverages and mandatory

deductibles.

(a) Availability of coverages.--Except for policies issued under Subchapter D (relating to Assigned Risk Plan), an insurer issuing a policy of bodily injury liability coverage pursuant to this chapter shall make available for purchase higher limits of uninsured, underinsured and bodily injury liability coverages up to at least \$100,000 because of injury to one person in any one accident and up to at least \$300,000 because of injury to two or more persons in any one accident or, at the option of the insurer, up to at least \$300,000 in a single limit for these coverages. Additionally, an insurer shall make available for purchase at least [\$5,000] \$10,000 because of damage to property of others in any one accident. However, the exclusion of availability relating to the Assigned Risk Plan shall not apply to damage to property of others in any one accident.

* * *

Section 4. This act shall take effect in 60 days.