

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1155

Session of
1979

INTRODUCED BY MESSRS. YOHN, VROON, KOWALYSHYN, MADIGAN,
HALVERSON, BURD, TAYLOR, FRYER AND GANNON, MAY 2, 1979

AS RE-REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, SEPTEMBER 19, 1979

AN ACT

1 Amending the act of July 19, 1974 (P.L.489, No.176), entitled
2 "An act providing for a compensation system for persons
3 injured in motor vehicle accidents; requiring insurance for
4 all motor vehicles required to be registered in Pennsylvania;
5 defining compensable damage in motor vehicle accident cases;
6 establishing an assigned claims plan; providing for
7 arbitration; imposing powers and duties on courts, the
8 Department of Transportation and the Insurance Commissioner;
9 prohibiting certain discrimination; and providing penalties,"
10 redefining certain terms; ~~imposing a maximum limit on basic~~ <—
11 ~~loss benefits;~~ authorizing temporary suspension of coverage;
12 providing for proof of security at inspections; further
13 providing for assigned ~~risk~~ CLAIMS PLAN coverage; further <—
14 providing for collateral and basic loss benefits; ~~reducing~~ <—
15 ~~premiums for bodily injury insurance;~~ and prohibiting certain
16 surcharges and further prohibiting the operation of vehicles
17 without security.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. The definitions of "ADDED LOSS BENEFITS," "loss <—
21 of income," "medical and vocational rehabilitation services,"
22 "survivor's loss" and "work loss" in section 103, act of July
23 19, 1974 (P.L.489, No.176), known as the "Pennsylvania No-fault
24 Motor Vehicle Insurance Act," are amended to read:

25 § 103. Definitions.

As used in this act:

"ADDED LOSS BENEFITS" MEANS BENEFITS PROVIDED BY ADDED LOSS
INSURANCE IN ACCORDANCE WITH SECTION 207 OF THIS ACT. ADDED LOSS
BENEFITS SHALL NOT INCLUDE BENEFITS FOR NET LOSS SUSTAINED BY AN
OPERATOR OR PASSENGER OF A MOTORCYCLE.

* * *

"Loss of income" means gross income actually lost by a victim
during his lifetime or that would have been lost but for any
income continuation plan, reduced by:

(A) eighty per cent (80%) of any income which such
individual earns from substitute work;

(B) income which such individual would have earned
in available substitute work he was capable of performing
but unreasonably failed to undertake; or

(C) any income which such individual would have
earned by hiring an available substitute to perform self-
employment services but unreasonably failed to do. Such a
"loss of income" shall be recoverable from an obligor by
a victim or his estate but shall not be recoverable as a
survivor's loss.

* * *

"Medical and vocational rehabilitation services" means
services necessary to reduce disability and to restore the
physical, psychological, social, and vocational functioning of a
victim. Such services may include, but are not limited to,
medical care, diagnostic and evaluation procedures, physical and
occupational therapy, other necessary therapies, including but
not limited to chiropractic care, speech pathology and
audiology, optometric services, nursing care under the
supervision of a registered nurse, medical social services,

1 vocational rehabilitation and training services, occupational
2 licenses and tools, and transportation where necessary to secure
3 medical and vocational rehabilitation services. A basic loss
4 obligor is not obligated to provide basic loss benefits for
5 allowable expense for medical and vocational rehabilitation
6 services unless the facility in which or through which such
7 services are provided has been accredited by the Department of
8 Health, the equivalent governmental agency responsible for
9 health programs, or the accrediting designee of such department
10 or agency of the state in which such services are provided, as
11 being in accordance with applicable requirements and
12 regulations.

13 * * *

14 "Survivor's loss" means the:

15 (A) [loss of] income of a deceased victim which
16 would probably have been contributed to a survivor or
17 survivors, if such victim had not sustained the fatal
18 injury; and

19 (B) expenses reasonably incurred by a survivor or
20 survivors, after a victim's death resulting from injury,
21 in obtaining ordinary and necessary services in lieu of
22 those which the victim would have performed, not for
23 income, but for their benefit, if he had not sustained
24 the fatal injury,

25 reduced by expenses which the survivor or survivors would
26 probably have incurred but avoided by reason of the victim's
27 death resulting from injury.

28 * * *

29 "Work loss" means:

30 (A) loss of gross income of a victim during his

1 lifetime, as calculated pursuant to the provisions of
2 section 205 of this act; and

3 (B) reasonable expenses of a victim for hiring a
4 substitute to perform self-employment services, thereby
5 mitigating loss of income, or for hiring special help,
6 thereby enabling a victim to work and mitigate loss of
7 income.

8 "Work loss" shall not be recoverable as a "survivor's loss."

9 Section 2. ~~Subsection (a) of section~~ SECTION 104 of the act <—
10 is amended ~~and subsections are added~~ BY ADDING SUBSECTIONS to <—
11 read:

12 § 104. Required motor vehicle insurance.

13 ~~(a) Security covering a motor vehicle. Every owner of a~~ <—
14 ~~motor vehicle which is registered or which is operated in this~~
15 ~~Commonwealth by the owner or with his permission, shall~~
16 ~~continuously provide security covering such motor vehicle while~~
17 ~~such vehicle is either present or registered in the~~
18 ~~Commonwealth. Security shall be provided for the payment of~~
19 ~~basic loss benefits, and for the payment of sums up to a total~~
20 ~~limit of thirty thousand dollars (\$30,000) which the owner or~~
21 ~~any person operating the vehicle with the express or implied~~
22 ~~permission of the owner may become liable to pay as damages~~
23 ~~because of bodily injury or death arising out of any one~~
24 ~~accident (subject to a sublimit of fifteen thousand dollars~~
25 ~~(\$15,000) for damages arising out of the bodily injury or death~~
26 ~~of any one person) and for the payment of damages for injury to~~
27 ~~or destruction of property in any one accident of amounts up to~~
28 ~~a total limit of five thousand dollars (\$5,000). The owner or~~
29 ~~any other person may provide security covering a motor vehicle~~
30 ~~by a contract of insurance with an insurer or by qualifying as a~~

1 ~~self insurer or as an obligated government.~~

2 * * *

<—

3 (a.1) Temporary suspension of coverage.--An owner of a motor
4 vehicle, who has provided security in accordance with the
5 provisions of subsection (a) and who has one or more vehicles
6 not in use for periods of time in excess of forty-five
7 consecutive calendar days, may obtain from his insurer an
8 agreement to the policy of insurance suspending temporarily all
9 coverages for the duration of time such vehicle may not be in
10 use: Provided, however, That such owner shall maintain basic
11 loss benefits coverage for at least one of the vehicles during
12 the period of suspension. In all such cases, an owner of such a
13 motor vehicle shall not be required to surrender the
14 registration certificate and license plates to the department as
15 provided in subsection (d). The commissioner shall promulgate
16 reasonable and necessary rules and regulations governing such
17 agreements between an owner and his insurer including provisions
18 for an equitable reduction from the annual policy premium of the
19 insurer.

20 (a.2) Proof of security at vehicle inspection.--The
21 department shall promulgate and adopt such rules and regulations
22 as may be necessary to monitor and enforce compliance with the
23 provisions of this act with respect to the maintenance of
24 security. Such rules and regulations shall include, but not
25 necessarily be limited to, requiring the owner of a motor
26 vehicle to submit satisfactory proof of security to a motor
27 vehicle inspector at the time of motor vehicle inspection and
28 provide further that failure to submit such proof of security
29 shall be cause for rejection of the vehicle by the motor vehicle
30 inspector who shall then notify the department of the owner's

failure to produce proof of required security in accordance with the department's regulations.

* * *

Section 3. Section 108 of the act is repealed.

Section 4. The act is amended by adding a section to read:

§ 108.1. Assigned claims plan.

(a) Organization.--Obligors other than self-insurers and governments providing basic loss insurance in this Commonwealth shall organize and maintain, subject to approval and regulation by the commissioner, an assigned claims bureau and an assigned claims plan and adopt rules for their operation and for assessment of costs on a fair and equitable basis consistent with this act. If such bureau and plan are not organized and maintained in a manner considered by the commissioner to be consistent with this act, he shall organize and maintain an assigned claims bureau and an assigned claims plan. Each obligor insurer providing basic loss insurance in the Commonwealth shall participate in the assigned claims bureau and the assigned claims plan. Costs incurred shall be allocated fairly and equitably among the obligors.

(b) Basic loss benefits.--

(1) If this act is in effect on the date when the accident resulting in injury occurs, a victim or the survivor or survivors of a deceased victim may obtain basic benefits through the assigned claims plan established pursuant to subsection (a), if basic loss insurance;

(i) applicable to the injury cannot be identified;

(ii) applicable to the injury is inadequate to provide the contracted for benefits because of financial inability of an obligor to fulfill its obligations;

1 (iii) benefits are refused by an obligor for a
2 reason other than that the individual is not entitled in
3 accordance with this act to the basic loss benefits
4 claimed; or

5 (iv) is not applicable to the injury for a reason
6 other than those specified in the provisions on
7 ineligible claimants.

8 (2) If a claim qualifies for assignment under
9 subparagraphs (i), (ii) or (iii) of paragraph (1), the
10 assigned claims bureau or any insurer to whom the claim is
11 assigned is subrogated to all rights of the claimant against
12 the obligor legally obligated to provide basic benefits to
13 the claimant or against any successor in interest to or
14 substitute for such obligor for such benefits as are provided
15 by the assignee.

16 (3) If an individual receives basic loss benefits
17 through the assigned claims plan for any reason other than
18 because of the financial inability of an obligor to fulfill
19 its obligation, all benefits or advantages that such
20 individual receives or is entitled to receive as a result of
21 such injury, other than life insurance benefits or benefits
22 by way of succession at death or in discharge of familial
23 obligations of support, shall be subtracted from loss in
24 calculating net loss.

25 (4) (i) The assigned claims bureau shall promptly
26 assign each claim for no-fault benefits to an assignee
27 who shall be a participating insurer and notify the
28 claimant of the identity and address of such assignee.

29 (ii) Claims shall be assigned so as to minimize
30 inconvenience to claimants. The assignee thereafter has

1 rights and obligations as if he had issued a policy of
2 basic loss insurance complying with this act applicable
3 to the injury or, in a case involving the financial
4 inability of a restoration obligor to perform its
5 obligations, as if the assignee had written the
6 applicable basic restoration insurance, undertaken the
7 self-insurance, or lawfully obligated itself to pay basic
8 loss benefits.

9 (5) (i) Except as provided in paragraph (4) of this
10 subsection, an individual authorized to obtain basic loss
11 benefits through the assigned claims plan shall notify
12 the assigned claims bureau of his claim within the time
13 that would have been allowed pursuant to section 106(c)
14 for commencing an action for basic loss benefits against
15 any obligor, other than an assigned claims bureau, in any
16 case in which identifiable no-fault insurance coverage
17 was in effect and applicable to the claim.

18 (ii) If timely action for basic loss benefits is
19 commenced against an obligor who is unable to fulfill its
20 obligations because of financial inability, an individual
21 authorized to obtain basic loss benefits through the
22 assigned claims plan shall notify the bureau of his claim
23 within six months after his discovery of such financial
24 inability.

25 (c) Excess claims.--In the event that allowable expense, as
26 defined in section 103, is in excess of two hundred fifty
27 thousand dollars (\$250,000) to any one victim in any one
28 accident, the assigned claims plan shall assume such excess and
29 reimburse the obligor in accordance with rules and regulations
30 promulgated by the commissioner: Provided, however, That this

1 provision is not intended to broaden the coverage available to
2 accidents involving uninsured or hit and run automobiles or to
3 provide extra-territorial coverage.

4 (d) Ineligible claimants.--An individual, whether a resident
5 of this Commonwealth or not, who does not comply with the
6 requirement of providing security for the payment of basic loss
7 benefits, or an individual as to whom the security is
8 invalidated because of his fraud or willful misconduct, shall
9 not be entitled to receive benefits under the assigned claims
10 plan if he is injured in a motor vehicle for which there is no
11 security in force. Further, an individual, whether a resident of
12 this Commonwealth or not, who operates a motor vehicle with the
13 knowledge that it is unsecured shall also not be entitled to
14 receive benefits under the assigned claims plan. The individual
15 and his or her spouse shall not be eligible to receive benefits
16 under the assigned claims plan if injured while occupying the
17 unsecured vehicle.

18 Section 5. Subsections (a) and (d) of section 202 and
19 sections 203, ~~and 204~~ 204 AND SUBSECTION (A) OF SECTION 206 of <—
20 the act are amended to read:

21 § 202. Basic loss benefits.

22 (a) Allowable expense limits.--Allowable expense, as defined
23 in section 103 of this act shall be provided or the equivalent
24 in the form of a contract to provide for services required. In
25 the event benefits provided or to be provided by an insurer
26 pursuant to this subsection are in excess of two hundred fifty
27 thousand dollars (\$250,000) on account of personal injury to any
28 one victim, such excess shall be provided by the insurer other
29 than self insurers and governments in consultation with the
30 assigned claims bureau and shall be reimbursed to the insurer

1 from the assigned claims plan pursuant to section 108(c). The
2 claim resulting in such benefits shall be continuously serviced
3 by said insurer.

4 * * *

5 (d) Survivors losses.--Survivors loss, as defined in section
6 103 shall be provided in an amount not to exceed five thousand
7 dollars (\$5,000). Survivors loss in excess of five thousand
8 dollars (\$5,000) shall be recoverable in accordance with section
9 301.

10 * * *

11 § 203. Collateral benefits.

12 [(a) If benefits other than no-fault benefits are provided
13 to an individual through a program, group, contract or other
14 arrangement for which some other person pays in whole or in part
15 that would inure to the benefit of a victim or the survivor of a
16 deceased victim injured as a result of an accident in the
17 absence of no-fault benefits, then any reduction or savings in
18 the direct or indirect cost to such person of such benefits
19 resulting from the existence of no-fault benefits shall be
20 returned to such individual or utilized for his benefit.

21 (b) The owner or operator of a motor vehicle may elect to
22 provide for security in whole or in part for the payment of
23 basic loss benefits through a program, group, contract or other
24 arrangement that would pay to or on behalf of the victim or
25 members of his family residing with him or the survivor of a
26 deceased victim, allowable expense, loss of income, work loss,
27 replacement services loss and survivors loss. In all such
28 instances, each contract of insurance issued by an insurer shall
29 be construed to contain a provision that all basic loss benefits
30 provided therein shall be in excess of any valid and collectible

benefits otherwise provided through such program, group,
contract or other arrangement as designated at the election of
the owner or operator which shall be primary.

(c) An insurer providing basic loss benefits and tort
liability in accordance with the provisions of subsection (b)
above shall reduce the cost of such contract of insurance to
reflect the anticipated reduction in basic loss benefits payable
by the insurer by reason of the election of the owner or
operator to provide substitute security.]

(a) Group plans and other arrangements.--Every obligor
providing security for the payment of basic loss benefits shall
offer options to the owner or operator of a motor vehicle who
may elect to provide security in whole or in part for the
payment of basic loss benefits through a program, group,
contract or other arrangement that would pay to or on behalf of
the victim or members of his family residing with him or to or
on behalf of the survivor of a deceased victim, allowable
expense, loss of income, work loss, replacement services loss
and survivors loss. In all such instances, each contract of
insurance issued by an insurer shall be construed to contain a
provision that all basic loss benefits provided therein shall be
in excess of and not in duplication of any valid and collectible
benefits otherwise provided through such program, group,
contract or other arrangement which, as designated at the
election of the owner or operator, shall be primary. If no such
election is made, then the group program, group contract or
similar group arrangement that is issued or renewed after the
expiration of one year from the effective date of this
amendatory act and that would otherwise pay benefits thereunder,
shall be construed to contain a provision that all such benefits

1 shall be in excess and not in duplication of any valid and
2 collectible basic loss benefits contained in any contract of
3 insurance which, because of the absence of such election, shall
4 be primary.

5 (b) Return of savings.--If benefits other than no-fault
6 benefits are provided to an individual through a program, group,
7 contract or other arrangement for which the individual's
8 employer or some other person pays in whole or in part that
9 would inure to the benefit of a victim or the survivor of a
10 deceased victim injured as the result of an accident in the
11 absence of no-fault benefits, then any reduction or savings in
12 the direct or indirect cost to such employer or other person of
13 such benefits resulting from the existence of no-fault benefits
14 shall be returned to such individual or utilized for his benefit
15 by the employer or other person providing such other benefits.

16 (c) Reduction of cost.--An insurer providing basic loss
17 benefits and tort liability in accordance with the provisions of
18 subsection (a) shall reduce the cost of such contract of
19 insurance to reflect the anticipated reduction in basic loss
20 benefits payable by the insurer by reason of the election of the
21 owner or operator to provide substitute security.

22 (d) Public information.--The commissioner shall formulate a
23 program of public information whereby the public shall be
24 informed of the options available under this section. The
25 commissioner shall also inform all private and public hospitals
26 of the election provisions and the impact of such election upon
27 the hospital and the public. The commissioner may also
28 promulgate rules and regulations to implement this section to
29 monitor the compliance of obligors with respect to such
30 implementation.

1 (e) Definitions.--As used in this section, "program, group,
2 contract or other arrangement" shall include but not be limited
3 to benefits payable by a hospital plan corporation subject to 40
4 Pa.C.S. § 6101 (relating to definitions) or a professional
5 health service corporation subject to 40 Pa.C.S. § 6301
6 (relating to application of chapter).

7 (f) Assignment of certain benefits.--Health care providers
8 are expressly authorized subject to the provisions of this
9 section and section 106(d) to enter into an agreement of or an
10 agreement to assign benefits payable by an obligor to a victim
11 for allowable expenses, to the extent the benefits are for the
12 cost or products, services or accommodations provided or to be
13 provided for the assignee. Basic loss insurers may require the
14 policyholder to certify as to the existence of coverage and such
15 other reasonable information as to extent of such coverage as
16 may be required.

17 § 204. Source of basic [restoration] loss benefits.

18 (a) Applicable security.--The security for the payment of
19 basic loss benefits applicable to an injury to:

20 (1) an employee, or to the spouse or other relative of
21 any employee residing in the same household as the employee,
22 if the accident resulting in injury occurs while the victim
23 or deceased victim is driving or occupying a motor vehicle
24 furnished by such employee's employer, is the security for
25 the payment of basic loss benefits covering such motor
26 vehicle or, if none, any other security applicable to such
27 victim: Provided, however, That if the employee is injured
28 while driving or occupying a vehicle furnished by his
29 employer or while driving or occupying any other vehicle,
30 while in and about the business of the employer, the employee

shall not be entitled to basic loss benefits under the
employer's security OR THE ASSIGNED CLAIMS PLAN;

(2) an insured is the security under which the victim or deceased victim is insured;

(3) the driver or other occupant of a motor vehicle involved in an accident resulting in injury who is not an insured is the security covering such vehicle;

(4) an individual who is not an insured or the driver or other occupant of a motor vehicle involved in an accident resulting in injury is the security covering any motor vehicle involved in such accident. For purposes of this paragraph, a parked and unoccupied motor vehicle is not a motor vehicle involved in an accident, unless it was parked so as to cause unreasonable risk of injury; and

(5) any other individual is the applicable assigned claims plan.

(b) Multiple sources of equal property.--If two or more obligations to pay basic loss benefits apply equally to an injury under the priorities set forth in subsection (a) of this section, the obligor against whom a claim is asserted first shall process and pay the claim as if wholly responsible. Such obligor is thereafter entitled to recover contribution pro rata from any other such obligor for the basic loss benefits paid and for the costs of processing the claim. If contribution is sought among obligors responsible under paragraph (4) of subsection (a) of this section proration shall be based on the number of involved motor vehicles.

§ 206. NET LOSS.

(A) GENERAL.--EXCEPT AS PROVIDED IN SECTION [108(A)(3)]
108.1(B)(3) OF THIS ACT, ALL BENEFITS OR ADVANTAGES (LESS

1 REASONABLY INCURRED COLLECTION COSTS) THAT AN INDIVIDUAL
2 RECEIVES OR IS ENTITLED TO RECEIVE FROM SOCIAL SECURITY (EXCEPT
3 THOSE BENEFITS PROVIDED UNDER TITLE XIX OF THE SOCIAL SECURITY
4 ACT AND EXCEPT THOSE MEDICARE BENEFITS TO WHICH A PERSON'S
5 ENTITLEMENT DEPENDS UPON USE OF HIS SO-CALLED "LIFE-TIME
6 RESERVE" OF BENEFIT DAYS) WORKMEN'S COMPENSATION, ANY STATE-
7 REQUIRED TEMPORARY, NONOCCUPATIONAL DISABILITY INSURANCE, AND
8 ALL OTHER BENEFITS (EXCEPT THE PROCEEDS OF LIFE INSURANCE)
9 RECEIVED BY OR AVAILABLE TO AN INDIVIDUAL BECAUSE OF THE INJURY
10 FROM ANY GOVERNMENT, UNLESS THE LAW AUTHORIZING OR PROVIDING FOR
11 SUCH BENEFITS OR ADVANTAGES MAKES THEM EXCESS OR SECONDARY TO
12 THE BENEFITS IN ACCORDANCE WITH THIS ACT, SHALL BE SUBTRACTED
13 FROM LOSS IN CALCULATING NET LOSS.

14 * * *

15 Section 6. Section 504 of the act is amended by adding a
16 subsection to read:

17 § 504. Policy requirements and premium changes.

18 * * *

19 (d) No insurer shall adopt nor shall the commissioner
20 approve any rating plan which shall provide for any premium
21 surcharge nor for the assessment of any penalty points if under
22 the provisions of 42 Pa.C.S. § 7102 (relating to comparative
23 negligence), an insured is nominally at fault. For the purpose
24 of this section, the term "nominally at fault" shall mean that
25 the named insured under a policy providing security in
26 accordance with the provisions of this act is determined to be
27 less than fifty-one per cent (51%) at fault.

28 Section 7. Section 601 of the act is repealed.

29 Section 8. The act is amended by adding ~~a section~~ SECTIONS
30 to read:

<—

1 § 601.1. Operation of a vehicle without security.

2 (a) General rule.--No person who owns a passenger vehicle,
3 for which the existence of security for basic loss benefits and
4 tort liability insurance is a requirement for its legal
5 operation upon the public highways of this State, under either
6 section 104 or 110 of this act or section 1747, act of June 17,
7 1976 (P.L.162, No.81), known as the Vehicle Code, shall operate
8 such motor vehicle or permit it to be operated upon a public
9 highway in this State without having in full force and effect
10 security complying with the terms of section 104. Further, no
11 other person shall operate such a motor vehicle upon a public
12 highway in this State with the knowledge that the owner does not
13 have such security in full force and effect.

14 (b) Carrying and exhibiting Pennsylvania No-fault Insurance
15 Identification Card on demand.--Every person who operates a
16 vehicle for which the existence of security for basic loss
17 benefits and tort liability insurance is a requirement for its
18 legal operation upon the public highways of this State pursuant
19 to the above-mentioned sections, shall possess a valid
20 Pennsylvania No-fault Insurance Identification Card at all times
21 when driving such motor vehicle and shall exhibit the card upon
22 demand to a police officer who investigates an accident or
23 otherwise stops the vehicle for probable cause.

24 (c) Exhibition of invalid insurance identification cards.--
25 No person who is required to possess and exhibit a Pennsylvania
26 No-fault Insurance Identification Card pursuant to subsection
27 (b) shall exhibit an invalid identification card to any police
28 officer. For the purposes of this section, an invalid card
29 includes, but is not limited to, one expired, fraudulently
30 obtained or forged.

1 (d) Inferences from failure to possess and exhibit the
2 insurance identification card.--In any summary proceeding or
3 criminal proceeding in which the defendant is charged with
4 violating subsection (a), if it is shown that the defendant
5 failed to possess and exhibit the identification card as
6 required by subsection (b), or failed to furnish satisfactory
7 proof within five days at the office of the issuing authority or
8 arresting officer, it may be inferred that the defendant was in
9 violation of subsection (a) at the time of the demand.

10 (e) Penalty.--Any person violating subsection (a) is guilty
11 of a summary offense and shall, upon conviction, be sentenced to
12 pay a fine of two hundred dollars (\$200). Any person violating
13 subsection (b) is guilty of a summary offense and shall, upon
14 conviction, be sentenced to pay a fine of fifty dollars (\$50)
15 AND TO A MANDATORY FIFTEEN-DAY SUSPENSION OF THE INDIVIDUAL'S <—
16 OPERATING PRIVILEGES. Any person violating subsection (c) is
17 guilty of a misdemeanor of the third degree and shall, upon
18 conviction, be sentenced to pay a fine of not less than three
19 hundred dollars (\$300), nor more than one thousand dollars
20 (\$1,000), or to imprisonment for not more than six months or
21 both. No person charged with violating subsections (a) or (b)
22 shall be convicted if the person furnishes at the office of the
23 issuing authority or the arresting officer, within five days,
24 satisfactory proof of having held security at the time of the
25 demand.

26 (f) Subsequent convictions.--Every person convicted of a
27 second or subsequent violation of subsection (a) within three
28 years of an initial conviction under subsection (a) shall be
29 sentenced to pay a fine of not less than three hundred dollars
30 (\$300), nor more than one thousand dollars (\$1,000) or to

imprisonment of not more than six months or both. Every person
convicted of a second or subsequent violation of subsection (b)
within three years of an initial conviction under subsection (b)
shall be sentenced to pay a fine of not less than one hundred
dollars (\$100) nor more than three hundred dollars (\$300) AND TO <—
A MANDATORY SIXTY-DAY SUSPENSION OF THE INDIVIDUAL'S OPERATING
PRIVILEGES FOR THE SECOND VIOLATION, AND TO A MANDATORY SIX-
MONTH SUSPENSION OF OPERATING PRIVILEGES FOR THE THIRD AND ALL
SUBSEQUENT VIOLATIONS. Every person convicted of a second or
subsequent violation of subsection (c) within three years of an
initial conviction under subsection (c) shall be sentenced to
pay a fine of not less than one thousand dollars (\$1,000) nor
more than two thousand five hundred dollars (\$2,500) or to
imprisonment for not more than one year or both.

(g) Issuance of insurance identification cards.--No obligor
who provides security for basic loss benefits coverage and tort
liability insurance pursuant to this act shall issue an
insurance identification card for a period in excess of the
policy period for which premiums are paid.

§ 601.2. SURRENDER OF REGISTRATION PLATES AND CARDS UPON <—
SUSPENSION.

(A) GENERAL RULE.--THE DEPARTMENT, UPON SUSPENDING ANY
REGISTRATION UNDER THIS ACT, SHALL REQUIRE THE REGISTRATION
PLATE OR PLATES AND REGISTRATION CARD TO BE SURRENDERED
IMMEDIATELY TO THE DEPARTMENT AND MAY DELEGATE AUTHORITY TO ANY
AUTHORIZED DEPARTMENT EMPLOYEE, ISSUING AUTHORITY, POLICE
OFFICER, CONSTABLE OR WRIT SERVER TO SEIZE THE REGISTRATION
PLATE OR PLATES AND REGISTRATION CARD OR CARDS.

(B) ISSUING AUTHORITIES, CONSTABLES AND WRIT SERVERS.--
WHENEVER THE SURRENDER OF REGISTRATION PLATES AND CARDS IS

1 ACCOMPLISHED THROUGH THE USE OF ISSUING AUTHORITIES, CONSTABLES
2 OR WRIT SERVERS, THE PROCEDURES FOR SUCH SURRENDER SHALL BE
3 PRESCRIBED BY GENERAL RULE BY THE SUPREME COURT. FOR EACH CARD
4 AND PLATE SET RECOVERED BY A CONSTABLE OR WRIT SERVER, SUCH
5 OFFICER SHALL BE PAID A FEE OF NINE DOLLARS (\$9) BY THE
6 DEPARTMENT WHICH SHALL INCLUDE MILEAGE.

7 (C) REIMBURSEMENT OF DEPARTMENT.--AS A CONDITION FOR THE
8 RETURN OF A REGISTRATION PLATE AND CARD SURRENDERED TO A
9 CONSTABLE OR A WRIT SERVER, A PERSON SHALL REIMBURSE THE
10 DEPARTMENT A SERVICE FEE OF TWENTY-FIVE DOLLARS (\$25).

11 (D) PENALTY.--ANY PERSON FAILING OR REFUSING TO SURRENDER TO
12 THE DEPARTMENT OR TO ITS AUTHORIZED EMPLOYEE, ISSUING AUTHORITY,
13 POLICE OFFICER, CONSTABLE OR WRIT SERVER, UPON DEMAND, ANY
14 REGISTRATION PLATE OR CARD WHICH HAS BEEN SUSPENDED IS GUILTY OF
15 A SUMMARY OFFENSE AND SHALL, UPON CONVICTION, BE SENTENCED TO
16 PAY A FINE OF ONE HUNDRED DOLLARS (\$100).

17 (E) REPORTS AND RECORDS OF ISSUING AUTHORITIES.--EVERY
18 ISSUING AUTHORITY SHALL MAINTAIN RECORDS OF ALL PROCEEDINGS
19 BROUGHT UNDER THIS ACT IN ACCORDANCE WITH 75 PA.C.S § 6321
20 (RELATING TO RECORDS OF ISSUING AUTHORITIES). IN ADDITION, EVERY
21 ISSUING AUTHORITY SHALL REPORT ALL PROCEEDINGS BROUGHT UNDER
22 THIS ACT IN ACCORDANCE WITH 75 PA.C.S. § 6322 (RELATING TO
23 REPORTS BY ISSUING AUTHORITIES.)

24 (F) REPORTS OF COURTS OF RECORD.--THE CLERK OF ANY COURT OF
25 RECORD WITHIN THIS COMMONWEALTH SHALL REPORT THE FINAL
26 DETERMINATION OF ANY PROCEEDING BROUGHT UNDER THIS ACT IN
27 ACCORDANCE WITH 75 PA.C.S. § 6323 (RELATING TO REPORTS BY
28 COURTS).

29 Section 9. This act shall take effect in 90 days.