

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1994 Session of  
1985

INTRODUCED BY SAURMAN, TIGUE, GODSHALL, NOYE, McVERRY, HALUSKA,  
CIVERA, CARLSON, JOHNSON, FARGO, ROBBINS, BOOK, HERMAN,  
KASUNIC, TRELLO, DeLUCA, DISTLER, GEIST, AFFLERBACH AND  
BARLEY, JANUARY 7, 1986

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 7, 1986

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," further providing for the contents  
12 of life insurance policies.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. Section 410A of the act of May 17, 1921 (P.L.682,  
16 No.284), known as The Insurance Company Law of 1921, is amended  
17 by adding a subsection to read:

18 Section 410A. Standard Nonforfeiture Law for Life  
19 Insurance.--\* \* \*

20 (c.1) Each policy shall contain a provision for payment of  
21 interest on life insurance proceeds calculated from the date of  
22 death if the proceeds are not paid to the beneficiary within

1 thirty days of the insured's death or within thirty days of  
2 receipt of documentation of the insured's death. The rate of  
3 interest shall be the same as that paid by the company on  
4 proceeds retained by the company under an insurance settlement  
5 option. If the company fails to make payment of the proceeds  
6 within thirty days from the date of death, or within thirty days  
7 of receipt of documentation of the insured's death, it shall  
8 notify the beneficiary at his last known address of the rate of  
9 interest payable under this subsection. This subsection shall  
10 not apply in any case where the beneficiary elects, in writing,  
11 to receive the proceeds by any means other than a lump sum  
12 payment.

13 \* \* \*

14 Section 2. This act shall apply to any insured who dies on  
15 or after the effective date of this act.

16 Section 3. This act shall take effect immediately.