
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 510

Session of
1989

INTRODUCED BY REINARD, RYBAK, BELARDI, SAURMAN, HALUSKA,
MRKONIC, NAHILL, TIGUE, BOYES, CARLSON, SEMMEL, FARGO,
JOHNSON, PRESTON, TRELLO, LINTON, PETRONE, FLICK, CORRIGAN,
FOX, O'BRIEN, NOYE, CAWLEY, GIGLIOTTI, CAPPABIANCA, RITTER,
MORRIS, MICOZZIE, ROBBINS, RAYMOND, LASHINGER, SERAFINI AND
DeLUCA, FEBRUARY 15, 1989

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 15, 1989

AN ACT

1 Regulating auto insurance surcharge rates.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Auto insurance; surcharge.

5 If an insurance company, association or exchange offering any
6 of the automobile coverages enumerated in section 2 bases its
7 rates in whole or in part upon a surcharge, rate penalty or
8 driver record point assignment scheme, the following shall
9 apply:

10 (1) No surcharge, rate penalty or driver record point
11 assignment, policy cancellation or nonrenewal shall be made
12 if the aggregate cost to the insurer of repair or replacement
13 of property damaged or bodily injury liability is determined
14 to be less than \$650, in excess of any self-insured retention
15 or deductible applicable to the named insured.

1 (2) No surcharge, rate penalty or driver record point
2 assignment shall be made as a result of an insurer paying a
3 first party medical claim.

4 (3) If an insurer makes a determination to impose a
5 surcharge, rate penalty or driver record point assignment,
6 the insurer shall inform the named insured of the
7 determination and shall specify the manner in which the
8 surcharge, rate penalty or driver record point assignment was
9 made and clearly identify the amount of the surcharge or rate
10 penalty on the premium notice for as long as the surcharge or
11 rate penalty is in effect.

12 (4) The Insurance Department, at least once every three
13 years, shall adjust the \$650 cap or limit on the property
14 damage or bodily injury liability surcharge, rate penalty or
15 driver record point assignment scheme relative to changes in
16 the components of the consumer price index-urban to measure
17 seasonally adjusted changes in medical care and automobile
18 maintenance and repair costs and shall make such adjustments
19 to the cap or limit as shall be necessary to maintain the
20 same rate of change in the cap or limit as has occurred in
21 the consumer price index-urban components. Such adjustments
22 may be rounded off to the nearest \$50 figure.

23 Section 2. Applicability.

24 This act shall apply to insurers offering one or more of the
25 following automobile coverages: bodily injury and property
26 damage liability, medical payments, comprehensive collision,
27 fire and theft, and combined additional coverages.

28 Section 3. Effective date.

29 This act shall take effect in 60 days.