

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1996 Session of
1997

INTRODUCED BY LEH, E. Z. TAYLOR, GEORGE, ITKIN, GEIST, HERSHEY,
TRELLO, OLASZ, CLARK, SEMMEL, McNAUGHTON, LYNCH, MAJOR,
LAUGHLIN, GORDNER, HALUSKA, BELARDI, STABACK, WALKO,
M. COHEN, SAYLOR, YOUNGBLOOD, SERAFINI, BELFANTI,
BENNINGHOFF, RAMOS, CIVERA AND STEVENSON, NOVEMBER 25, 1997

REFERRED TO COMMITTEE ON INSURANCE, NOVEMBER 25, 1997

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 continuation
12 of basic property insurance.

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

15 Section 1. Section 506.1 of the act of May 17, 1921
16 (P.L.682, No.284), known as The Insurance Company Law of 1921,
17 added July 9, 1992 (P.L.678, No.98), is amended to read:

18 Section 506.1. After-Death Continuation of Basic Property
19 Insurance.--(a) Basic property insurance shall be continued
20 [one hundred and eighty (180) days] twelve months after the
21 death or incapacitation of the named insured on the policy or

1 until the sale of the property, whichever event occurs first,
2 provided that the premiums for the coverage are paid. The basic
3 property insurance may be continued an additional six months or
4 until the sale of the property if a bona fide sales agreement is
5 executed on or before the expiration of the twelve-month
6 continuation period.

7 (b) The phrase "basic property insurance," as used in this
8 section, shall be construed to include all policies that provide
9 insurance against direct loss to real or tangible personal
10 property at a fixed location caused by perils defined and
11 limited in the standard fire policy prescribed in section five
12 hundred and six (506) of this act and in the extended coverage
13 endorsement approved by the Insurance Commissioner pursuant to
14 section three hundred and fifty-four (354) of this act and such
15 vandalism, malicious mischief, burglary, theft or such other
16 classes of insurance as may be determined by the Insurance
17 Commissioner, but shall not include insurance on motor vehicle,
18 farm or such manufacturing risks as may be excluded by the
19 Insurance Commissioner.

20 (c) The phrase "incapacitation," as used in this section,
21 shall mean the physical inability of the named insured to live
22 in the property due to physical or mental illness.

23 Section 2. This act shall take effect in 60 days.