
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2699 Session of
2000

INTRODUCED BY MANDERINO AND DeLUCA, AUGUST 23, 2000

REFERRED TO COMMITTEE ON INSURANCE, AUGUST 23, 2000

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, providing for insurer inspection of private
3 passenger motor vehicles.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 75 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 1799.8. Insurer inspection of private passenger motor
9 vehicles.

10 (a) General rule.--A private passenger motor vehicle
11 insurance policy providing physical damage coverage may not be
12 issued in this Commonwealth unless the insurer has inspected the
13 motor vehicle in accordance with this section.

14 (b) Exemptions.--This section shall not apply:

15 (1) To a private passenger motor vehicle insurance
16 policy in which the motor vehicle has been insured for one
17 year or longer without interruption and which provides
18 physical damage coverage, if the agent of the insurer

1 verifies the previous coverage.

2 (2) To a new, unused motor vehicle purchased from a
3 licensed motor vehicle dealer or leasing company, if the
4 insurer is provided with:

5 (i) a bill of sale or buyer's order that contains a
6 full description of the motor vehicle; or

7 (ii) a copy of the title that establishes transfer
8 of ownership from the dealer or leasing company to the
9 buyer and a copy of the window sticker or dealer invoice
10 that details the itemized options and equipment and the
11 total retail price of the motor vehicle.

12 (3) To a motor vehicle that is leased for less than six
13 months, if the insurer receives the lease or rental agreement
14 containing a description of the leased motor vehicle and its
15 condition. Payment of a physical damage claim shall be
16 conditioned upon receipt of the lease or rental agreement.

17 (4) To any renewal policy.

18 (5) When the insured vehicle is insured under a
19 commercially rated policy that insures five or more vehicles.

20 (6) To any other motor vehicle or policy exempted from
21 this section if the Insurance Department determines that the
22 likelihood of a fraudulent physical damage claim is remote or
23 that the inspection will cause serious hardship to the
24 insured.

25 (c) Mandatory photo inspection.--Upon an insured's request
26 for physical damage coverage, the insurer shall provide the
27 insured with a reasonably convenient inspection site where the
28 photo inspection required by this section may be conducted. The
29 insurer shall also provide the insured with a written list of
30 inspection sites where the inspection may be conducted.

1 (d) Manner of photo inspection.--The photo inspection
2 required by this section shall include:

3 (1) At least two color photographs of the motor vehicle
4 to be insured, of sufficient clarity to show the physical
5 condition of the motor vehicle at the time of the inspection
6 and taken at angles that clearly and without obstruction show
7 the front, back and sides of the motor vehicle.

8 (2) A close-up color photograph, using a special camera
9 if necessary, that shows the vehicle identification number
10 located on the Environmental Protection Agency/Federal
11 Certification Label sticker affixed to the driver's side door
12 jamb. The photograph shall be of sufficient clarity that the
13 information contained on the vehicle identification number
14 and EPA sticker is legible. If the sticker is damaged, faded,
15 missing or otherwise illegible, the insurer shall produce a
16 photograph of the sticker or of the area of the door jamb
17 where the sticker is normally located.

18 (e) Effect of insured's failure to comply.--

19 (1) If the photo inspection required by this section is
20 not conducted within ten business days from the date that
21 coverage is effected, the insurer shall:

22 (i) Upon notice to the insured, suspend physical
23 damage coverage on the motor vehicle.

24 (ii) Retain a copy and obtain a certificate of
25 mailing of the notice of suspension of physical damage
26 coverage.

27 (iii) Reinstate coverage on the motor vehicle at
28 such time as the insured presents the motor vehicle for
29 the photo inspection required by this section.

30 (2) If the insurer fails to notify the insured of the

1 suspension of physical damage coverage such coverage shall
2 not lapse.

3 (f) Cost of photo inspection.--The insured may not be
4 charged for the cost of a photo inspection required by this
5 section.

6 (g) Inspectors.--The competency and trustworthiness of an
7 inspector who conducts inspections on behalf of an insurer shall
8 be the responsibility of the insurer.

9 (h) Regulations.--The Insurance Department may prescribe
10 through appropriate regulation the forms or procedures, or both,
11 that are necessary to administer this section.

12 (i) Definition.--As used in this section, the term "physical
13 damage coverage" means the coverage in a motor vehicle liability
14 policy for collision, limited collision, fire, theft or
15 comprehensive.

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