

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1001 Session of
2003

INTRODUCED BY PHILLIPS, BELARDI, BROWNE, ALLEN, BAKER, BARD,
BELFANTI, BUNT, CAPPELLI, CAWLEY, CRAHALLA, CREIGHTON, CURRY,
DALEY, DeLUCA, FAIRCHILD, FLICK, GEIST, GEORGE, HARHAI,
HARRIS, HORSEY, JAMES, LAUGHLIN, McGEEHAN, O'NEILL, SATHER,
SAYLOR, SHANER, SOLOBAY, STABACK, E. Z. TAYLOR, THOMAS,
TIGUE, WANSACZ, WASHINGTON AND YOUNGBLOOD, MARCH 26, 2003

REFERRED TO COMMITTEE ON INSURANCE, MARCH 26, 2003

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 proper
12 notification of intention to cancel.

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

15 Section 1. Section 2006 of the act of May 17, 1921 (P.L.682,
16 No.284), known as The Insurance Company Law of 1921, added June
17 17, 1998 (P.L.464, No.68), is amended to read:

18 Section 2006. Proper Notification of Intention to Cancel.--A
19 cancellation or refusal to renew by an insurer of a policy of
20 automobile insurance shall not be effective unless the insurer
21 [delivers or mails] sends by certified mail, return receipt

1 requested, to the named insured at the address shown in the
2 policy a written notice of the cancellation or refusal to renew.
3 The notice shall:

4 (1) Be in a form acceptable to the Insurance Commissioner.

5 (2) State the date, not less than sixty (60) days after the
6 date of the mailing [or delivery], on which cancellation or
7 refusal to renew shall become effective. When the policy is
8 being cancelled or not renewed for the reasons set forth in
9 section 2004(1) and (2), however, the effective date may be
10 fifteen (15) days from the date of mailing [or delivery].

11 (3) State the specific reason or reasons of the insurer for
12 cancellation or refusal to renew.

13 (4) Advise the insured of his right to request in writing,
14 within thirty (30) days of the receipt of the notice of
15 cancellation or intention not to renew and of the receipt of the
16 reason or reasons for the cancellation or refusal to renew as
17 stated in the notice of cancellation or of intention not to
18 renew, that the Insurance Commissioner review the action of the
19 insurer.

20 (5) Either in the notice or in an accompanying statement
21 advise the insured of his possible eligibility for insurance
22 through the automobile assigned risk plan.

23 (6) Advise the insured that he must obtain compulsory
24 automobile insurance coverage if he operates or registers a
25 motor vehicle in this Commonwealth, that the insurer is
26 notifying the Department of Transportation that the insurance is
27 being cancelled or not renewed and that the insured must notify
28 the Department of Transportation that he has replaced said
29 coverage.

30 (7) Clearly state that when coverage is to be terminated due

1 to nonresponse to a citation imposed under 75 Pa.C.S. § 1533
2 (relating to suspension of operating privilege for failure to
3 respond to citation) or nonpayment of a fine or penalty imposed
4 under that section coverage shall not terminate if the insured
5 provides the insurer with proof that the insured has responded
6 to all citations and paid all fines and penalties and that he
7 has done so on or before the termination date of the policy.

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