

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 972 Session of  
2015

---

INTRODUCED BY PICKETT, V. BROWN, MILLARD, HELM, MUSTIO, DAVIS,  
JAMES, KOTIK, RAPP, McNEILL, KILLION AND CUTLER,  
APRIL 15, 2015

---

REFERRED TO COMMITTEE ON INSURANCE, APRIL 15, 2015

---

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," in life and endowment insurance and  
12 annuities, further providing for policy delivery.

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

15 Section 1. Section 404-A of the act of May 17, 1921  
16 (P.L.682, No.284), known as The Insurance Company Law of 1921,  
17 added December 18, 1996 (P.L.1003, No.154), is amended to read:

18 Section 404-A. [Policy Delivery.--When the individual policy  
19 or annuity is delivered to the policyholder by the producer by  
20 hand, a delivery receipt shall be used. This receipt must be in  
21 a least a duplicate set and state the date the policy or annuity  
22 was received by the policyholder. The receipt date shall be the

1 date on which the policyholder and producer sign the delivery  
2 receipt, and such date shall commence any applicable policy or  
3 annuity examination period. Copies of the delivery receipt must  
4 be provided to the policyholder on the date of policy or annuity  
5 delivery and to the issuing insurer. When the individual policy  
6 or annuity is delivered to the policyholder by a means other  
7 than by hand delivery by the producer, the insurer shall  
8 establish appropriate means of verifying delivery by the  
9 producer of the policy or annuity and of establishing the date  
10 from which any applicable policy or examination period shall  
11 commence. A certificate of mail is adequate proof of delivery.]

12 Delivery of Individual Policies and Annuities.--(a) For  
13 purposes of determining the commencement of the period during  
14 which the owner of an individual insurance policy or annuity may  
15 exercise any statutory right to examine, surrender or return the  
16 policy for cancellation, the date of delivery of the policy or  
17 annuity shall be:

18 (1) the date of the signed receipt of delivery if the  
19 insurance policy or annuity is:

20 (i) delivered by United States mail or other postal delivery  
21 system; or

22 (ii) physically delivered to the owner by a representative  
23 of the insurer; or

24 (2) the date of electronic transmission of the policy or  
25 annuity provided the electronic transmission has been effected  
26 in accordance with this section and the provisions of section  
27 354.7 and any other state or Federal laws governing the  
28 electronic transmission of documents and information. The  
29 insurer shall retain evidence of electronic transmittal for the  
30 entire period of the insurance policy or annuity.

1       (b) If an insurer does not deliver a policy or annuity by  
2 the means set forth in subsection (a), the burden of proof shall  
3 be on the insurer to establish that the policy or annuity was  
4 delivered, in the event of a dispute with the owner of the  
5 policy or annuity.

6       (c) Notwithstanding subsections (a) and (b), a policy or  
7 annuity shall be deemed to have been delivered to the owner of  
8 the policy or annuity as of the date of its issuance if six (6)  
9 months have passed since its issuance and the owner of the  
10 policy or annuity has paid the premiums pursuant to the contract  
11 for those six (6) months.

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