

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, CUTLER AND D. COSTA,
APRIL 15, 2015

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 22, 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. IN THE EVENT OF A DISPUTE WITH THE~~ <--
12 ~~OWNER OF A POLICY OR ANNUITY, THE BURDEN OF PROOF SHALL BE ON~~
13 ~~THE INSURER TO ESTABLISH THAT THE POLICY OR ANNUITY WAS~~
14 ~~DELIVERED. AN INSURER OR REPRESENTATIVE OF THE INSURER SHALL BE~~
15 ~~DEEMED TO HAVE SATISFIED THE BURDEN OF PROOF BY SHOWING, TO THE~~
16 ~~DEPARTMENT'S SATISFACTION, IT HAS SENT THE POLICY OR ANNUITY IN~~
17 ~~THE NORMAL COURSE OF BUSINESS.~~

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