

## 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, D. COSTA,  
DeLUCA, WATSON, MILNE AND JOZWIAK, APRIL 15, 2015

SENATOR WHITE, BANKING AND INSURANCE, IN SENATE, AS AMENDED,  
JUNE 25, 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

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

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

19 ~~(1) the date of the signed receipt of delivery if the~~ <--  
20 ~~insurance policy or annuity is:~~

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

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

25 (1) THE DATE OF MAILING OF THE POLICY OR ANNUITY BY THE <--  
26 INSURER IF THE DELIVERY IS BY THE UNITED STATES MAIL OR OTHER  
27 POSTAL DELIVERY SYSTEM;

28 (2) THE DATE THE POLICY OR ANNUITY IS PHYSICALLY DELIVERED  
29 TO THE OWNER BY A REPRESENTATIVE OF THE INSURER; OR

30 ~~(2)~~ (3) the date of electronic transmission of the policy or <--

1 annuity provided the electronic transmission has been effected  
2 in accordance with this section and the provisions of section  
3 354.7 and any other state or Federal laws governing the  
4 electronic transmission of documents and information. The  
5 insurer shall retain evidence of electronic transmittal for the  
6 entire period of the insurance policy or annuity.

7 (b) In the event of a dispute with the owner of a policy or  
8 annuity, the burden of proof shall be on the insurer to  
9 establish that the policy or annuity was delivered. An insurer  
10 or representative of the insurer shall be deemed to have  
11 satisfied the burden of proof by showing, to the department's  
12 satisfaction, it has sent the policy or annuity in the normal  
13 course of business.

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