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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 861 Session of  
2015

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INTRODUCED BY WHITE, SCARNATI, VOGEL, BARTOLOTTA, GORDNER,  
ARGALL, YAW AND MCGARRIGLE, MAY 29, 2015

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REFERRED TO BANKING AND INSURANCE, MAY 29, 2015

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AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated  
2 Statutes, in miscellaneous provisions, providing for coverage  
3 obligations of loaner 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. Coverage obligations of loaner vehicles.

9 (a) Private passenger automobile insurance obligations.--An  
10 insurance company authorized to write private passenger  
11 automobile insurance within this Commonwealth shall provide,  
12 where purchased and within the limits of the insured's policy,  
13 primary coverage of third-party financial liability obligations  
14 and first-party physical damage obligations for a motor vehicle  
15 provided by a motor vehicle dealer, when an insured has custody  
16 of or is operating that motor vehicle, while a motor vehicle  
17 specifically listed or covered under the insured's motor vehicle  
18 insurance policy is being transported, serviced, repaired or

1 inspected by the motor vehicle dealer.

2 (b) Motor vehicle dealer insurance obligations.--When a  
3 motor vehicle dealer or an agent thereof has custody of or is  
4 operating a customer's motor vehicle for the purpose of  
5 transporting, servicing, repairing or inspecting the vehicle,  
6 the motor vehicle dealer shall provide primary coverage of  
7 third-party financial obligations and further provide primary  
8 coverage of first-party physical damage obligations in the  
9 amounts set forth in the customer's private passenger automobile  
10 insurance policy.

11 (c) Applicability.--This section shall apply only to the  
12 loan of a motor vehicle by a motor vehicle dealer that occurs  
13 without financial remuneration in the form of a fee, rental or  
14 lease charge paid directly by the insured operating the motor  
15 vehicle. Payments made by a third party to a motor vehicle  
16 dealer or similar reimbursements shall not be considered  
17 payments directly from the insured operating the motor vehicle.

18 (d) Implementation.--A change in the coverage of a private  
19 passenger automobile insurance policy resulting from this  
20 section shall not impact the validity of a waiver, selection of  
21 benefits or amount of benefits in that policy, beyond the  
22 coverage change as a result of this section. Any revised forms  
23 or rates filed by an insurer with the Insurance Department as a  
24 result of this section shall be deemed approved by the  
25 department upon filing.

26 (e) Definitions.--As used in this section, the term "motor  
27 vehicle dealer" shall have the same meaning as "dealer" as  
28 defined in section 2 of the act of December 22, 1983 (P.L.306,  
29 No.84), known as the Board of Vehicles Act.

30 Section 2. This section shall apply to all policies issued

1 or renewed on or after 180 days after the effective date of this  
2 act.

3 Section 3. This act shall take effect immediately.