

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 861 Session of 2015

INTRODUCED BY WHITE, SCARNATI, VOGEL, BARTOLOTTA, GORDNER, ARGALL, YAW, MCGARRIGLE, GREENLEAF, DINNIMAN, MENSCH, RAFFERTY, WARD, HUTCHINSON, ALLOWAY AND BOSCOLA, MAY 29, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, DECEMBER 10, 2015

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 LIABILITY COVERAGE <--
15 FOR THIRD-PARTY BODILY INJURY AND PRIMARY FIRST-PARTY PHYSICAL
16 DAMAGE COVERAGE for a motor vehicle provided by a motor vehicle
17 dealer, when an insured has custody of or is operating that

1 motor vehicle, while a motor vehicle specifically listed or
2 covered under the insured's motor vehicle insurance policy is
3 being transported, serviced, repaired or inspected by the motor
4 vehicle dealer.

5 (b) Motor vehicle dealer insurance obligations.--When a
6 motor vehicle dealer or an agent thereof has custody of or is
7 operating a customer's motor vehicle for the purpose of
8 transporting, servicing, repairing or inspecting the vehicle,
9 the motor vehicle dealer shall provide primary coverage of <--
10 third party financial obligations and further provide primary
11 coverage of first party physical damage obligations LIABILITY <--
12 COVERAGE FOR THIRD-PARTY BODILY INJURY AND PRIMARY FIRST-PARTY
13 PHYSICAL DAMAGE COVERAGE in the amounts set forth in the
14 customer's private passenger automobile insurance policy.

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

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

30 (e) Definitions.--As used in this section, the term "motor

1 vehicle dealer" shall have the same meaning as "dealer" as
2 defined in section 2 of the act of December 22, 1983 (P.L.306,
3 No.84), known as the Board of Vehicles Act.

4 Section 2. This section shall apply to all policies issued
5 or renewed on or after 180 days after the effective date of this
6 act.

7 Section 3. This act shall take effect immediately.