

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1679 Session of 2021

INTRODUCED BY PICKETT, JUNE 23, 2021

REFERRED TO COMMITTEE ON INSURANCE, JUNE 23, 2021

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 automobile insurance issuance,
 12 renewal, cancellation and refusal, providing for policy
 13 changes.

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

16 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
 17 as The Insurance Company Law of 1921, is amended by adding a
 18 section to read:

19 Section 2006.1. Policy Changes.--(a) Notwithstanding the
 20 definition of "renewal" or "to renew" in section 2001, an
 21 insurer may change the types and limits of coverage at renewal
 22 that reduce those contained in the policy being superseded if
 23 the insurer has met the requirements of this section.

24 (b) An insurer may change the types and limits of coverage

1 at renewal that reduce those contained in the policy being
2 superseded if the insurer has filed with the commissioner a
3 request for the proposed policy changes no fewer than ninety
4 (90) days prior to the effective date of the proposed changes.

5 The request shall, at a minimum, include the following:

6 (1) The proposed effective date of the proposed changes.

7 (2) The number of insureds within this Commonwealth who will
8 be affected by the proposed changes.

9 (3) The number of claims, evaluated on an annual basis, that
10 the insurer anticipates might be impacted by the proposed
11 changes.

12 (4) The total dollar value of the losses and expenses
13 associated with the claims identified in paragraph (3).

14 (5) The overall average premium increase or decrease caused
15 by the proposed changes.

16 (6) The reasons for requesting the changes.

17 (7) A copy of the notice of policy changes that will be
18 issued to the affected policyholders.

19 (c) The commissioner shall approve or deny the proposed
20 changes. In reviewing filings made under this section, the
21 commissioner may consider whether the proposed changes are in
22 the public interest. In determining whether the proposed changes
23 are in the public interest, the commissioner may consider, but
24 shall not be limited to, the following:

25 (1) The impact on the premiums and rates of the policy, with
26 and without the proposed changes.

27 (2) The number of insureds within this Commonwealth who will
28 be affected by the proposed changes.

29 (3) The number of claims, evaluated on an annual basis, that
30 the insurer anticipates might be impacted by the proposed

1 changes.

2 (4) The total dollar value of the losses and expenses
3 associated with the claims identified in paragraph (3).

4 (5) Whether the proposed changes are consistent with policy
5 language found in the insurance market.

6 (6) Whether the proposed changes are sought to reflect
7 changes in the insurer's reinsurance coverage.

8 (7) Whether the proposed changes are in response to a change
9 in the laws of this Commonwealth.

10 (8) Whether the proposed notice of policy changes meets the
11 requirements of the notice under subsection (d).

12 (9) Whether and to what extent the benefits to be provided
13 under the new policy are lesser in quantity and quality than the
14 benefits provided in the policy being superseded.

15 (d) No changes made in accordance with this section shall be
16 effective until the insurer provides the first named insured
17 with notice of the changes at least sixty (60) days prior to the
18 effective date of the changes. The notice shall be on a form
19 prescribed and approved by the Insurance Department and shall,
20 at a minimum, meet the following standards:

21 (1) The notice shall be in 12-point font and labeled
22 "Attention: Your Coverage is Changing."

23 (2) The notice shall include the name of the insurance
24 company that issued the policy.

25 (3) The notice shall include the policy number that is being
26 changed.

27 (4) The notice shall clearly describe, in narrative form,
28 the changes being made to the policy.

29 (5) The notice shall advise the insured of possible
30 eligibility for insurance through the automobile assigned risk

1 plan.

2 (6) The notice shall advise of the change in premium, if
3 any, caused by the changes made to the policy.

4 (7) The notice shall provide a telephone number and email
5 address that the insured may use to contact the insurer to
6 obtain further information on the changes in terms and
7 conditions of the policy or reduction in coverage.

8 (e) An insurer who has filed a proposed change request may
9 request an administrative hearing if the commissioner denies the
10 filing. The hearing shall be conducted in accordance with 2
11 Pa.C.S. (relating to administrative law and procedure).

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