

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1679** Session of
2021

INTRODUCED BY PICKETT, JUNE 23, 2021

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 15, 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22 that reduce those contained in the policy being superseded if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.

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3 superseded if the insurer has filed with the commissioner a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

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

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

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

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

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

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

17 (6) The reasons for requesting the changes.

18 (7) A copy of the ~~notice of policy changes~~ "NOTICE OF POLICY <--
19 CHANGES" that will be issued to the affected policyholders.

20 (c) The commissioner shall approve or deny the proposed
21 changes. In reviewing filings made under this section, the
22 commissioner ~~may~~ SHALL consider whether THE RENEWAL POLICY <--
23 PROVIDES TYPES AND LIMITS OF COVERAGE THAT ARE SUBSTANTIALLY
24 EQUIVALENT TO THOSE CONTAINED IN THE POLICY BEING SUPERSEDED AND
25 WHETHER the proposed changes are in the public interest. In
26 ~~determining whether the proposed changes are in the public~~ <--
27 ~~interest,~~ MAKING THIS DETERMINATION, the commissioner may <--
28 consider, but shall not be limited to, the following:

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

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

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

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

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

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

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

14 (8) Whether the proposed notice of policy changes "NOTICE OF <--
15 POLICY CHANGES" meets the requirements of the notice under
16 subsection (d).

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

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

26 (1) The notice shall be in 12-point font and labeled
27 "~~Attention: Your Coverage is Changing.~~" "NOTICE OF POLICY <--
28 CHANGES."

29 (2) THE NOTICE SHALL PROMINENTLY STATE "ATTENTION: YOUR
30 COVERAGE IS CHANGING" IMMEDIATELY BELOW THE LABEL.

1 ~~(2)~~ (3) The notice shall include the name of the insurance <--
2 company that issued the policy.

3 ~~(3)~~ (4) The notice shall include the policy number that is <--
4 being changed.

5 ~~(4)~~ (5) The notice shall clearly describe, in narrative <--
6 form, the changes being made to the policy-, INCLUDING, BUT NOT <--
7 LIMITED TO, SPECIFYING HOW THE CHANGE DECREASES COVERAGE AND TO
8 WHAT EXTENT.

9 ~~(5)~~ (6) The notice shall advise the insured of possible <--
10 eligibility for insurance through the automobile assigned risk
11 plan.

12 ~~(6)~~ (7) The notice shall advise of the change in premium, if <--
13 any, caused by the changes made to the policy.

14 ~~(7)~~ (8) The notice shall provide a telephone number and <--
15 email address that the insured may use to contact the insurer to
16 obtain further information on the changes in terms and
17 conditions of the policy or reduction in coverage.

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

22 (F) ANY FILING APPROVED BY THE INSURANCE DEPARTMENT UNDER <--
23 THIS SECTION SHALL BE POSTED ON THE PUBLICLY ACCESSIBLE INTERNET
24 WEBSITE OF THE INSURANCE DEPARTMENT NO LATER THAN SEVEN (7) DAYS
25 AFTER APPROVAL AND SHALL REMAIN AVAILABLE ON THAT WEBSITE FOR
26 ONE (1) YEAR AFTER THE RENEWAL EFFECTIVE DATE OF THE FILING.

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