

policy provisions; and requiring notice of conversion privileges," decreasing minimum number of employes who may be covered by policies issued to any employer or to trustees of a fund established by an employer.

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

Group life insurance.

Section 1. Clause (3) of section two, act of May eleven, one thousand nine hundred forty-nine (Pamphlet Laws 1210), entitled "An act relating to group life insurance; describing permitted policies and restrictions thereon, the premium basis thereof and rights thereunder; limiting the amount of such insurance; prescribing standard policy provisions; and requiring notice of conversion privileges," is amended to read:

Clause (3), section 2, act of May 11, 1949, P. L. 1210, amended.

Section 2. Policies Issued to Employers or Trustees of Employer Funds.—A policy issued to an employer, or to the trustees of a fund established by an employer, to insure employes of the employer for the benefit of persons other than the employer shall be subject to the following requirements:

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(3) The policy must cover at least [twenty-five] *ten* employes at date of issue.

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APPROVED—The 9th day of December, A. D. 1955.

GEORGE M. LEADER

No. 233

AN ACT

Amending the act of May seventeen, one thousand nine hundred twenty-one (Pamphlet Laws 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," further providing for, defining and regulating the issuance of group, blanket and franchise accident and sickness insurance.

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

The Insurance Company Law of 1921.

Section 1. Section 621.1, act of May seventeen, one thousand nine hundred twenty-one (Pamphlet Laws 682), known as "The Insurance Company Law of 1921," amended, in part, May twenty-five, one thousand nine hundred fifty-one (Pamphlet Laws 412), is repealed.

Section 621.1, act of May 17, 1921, P. L. 682, amended in part May 25, 1951, P. L. 412, repealed.

Act of May 17,  
1921, P. L. 682,  
amended by  
adding sections  
621.2, 621.3,  
621.4, and 621.5.

Section 2. The act is amended by adding, after section 621.1, four new sections to read:

*Section 621.2. Group Accident and Sickness Insurance.—(a) Group accident and sickness insurance is hereby declared to be that form of accident and sickness insurance covering groups of persons defined in this section with or without one or more members of their families or one or more of their dependents, or covering one or more members of the families or one or more dependents of such groups or persons and issued upon the following basis:*

*(1) Under a policy issued to an employer or trustees of a fund established by an employer, who shall be deemed the policyholder insuring at least ten employes of such employer for the benefit of persons other than the employer. The term "employes," as used herein, shall be deemed to include the officers, managers and employes of the employer, the individual proprietor or partner, if the employer is an individual proprietor or partnership, the officers, managers and employes of subsidiary or affiliated corporations, the individual proprietors, partners and employes of individuals and firms, if the business of the employer and such individual or firm is under common control through stock ownership, contract or otherwise. The term "employes," as used herein, may include retired employes. A policy issued to insure employes of a public body may provide that the term "employes" shall include elected or appointed officials.*

*(2) Under a policy issued to an association, including a labor union, which shall have a constitution and by-laws and which has been organized and is maintained in good faith for purposes other than that of obtaining insurance insuring at least twenty-five members, employes or employes of members of the association for the benefit of persons other than the association or its officers or trustees. The term "employes," as used herein, may include retired employes.*

*(3) Under a policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions or by one or more employers and one or more labor unions or by an association as defined in clause (2) of this section, which trustees shall be deemed the policyholder to insure employes of the employers or members of the unions or such association for the benefit of persons other than the employers or the unions or such association. The term "employes," as used herein, may include the officers, managers and employes of the employer and the individual proprietor or partners, if the employer is an indi-*

vidual proprietor or partnership. The term "employees," as used herein, may include retired employes. The policy may provide that the term "employees" shall include the trustees or their employes, or both, if their duties are principally connected with such trusteeship.

(4) Under a policy issued to any person or organization to which a policy of group life insurance may be issued or delivered in this Commonwealth to insure any class or classes of individuals that could be insured under such group life policy.

(5) Under a policy issued to cover any other substantially similar group, which in the discretion of the Insurance Commissioner may be subject to the issuance of a group accident and sickness policy or contract.

(b) Each group accident and sickness policy shall contain in substance the following provisions:

(1) A provision that in the absence of fraud, all statements made by any applicant or applicants or the policyholder or by an insured person shall be deemed representations and not warranties and that no statement made for the purpose of effecting insurance shall avoid such insurance or reduce benefits, unless contained in a written instrument signed by the policyholder or the insured person a copy of which has been furnished to such policyholder or to such person or his beneficiary.

(2) A provision that the insurer will furnish to the policyholder, for delivery to each employe or member of the insured group, an individual certificate setting forth, in summary form, a statement of the essential features of the insurance coverage of such employe or member and to whom benefits thereunder are payable. If dependents are included in the coverage, only one certificate need be issued for each family unit.

(3) A provision that to the group originally insured may be added from time to time eligible new employes or members or dependents, as the case may be, in accordance with the terms of the policy.

(c) Any group accident and health policy may provide that all or any portion of any indemnities provided by any such policy, on account of hospital, nursing, medical or surgical services, may at the insurer's option be paid directly to the hospital or person rendering such services, but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

*Section 621.3. Blanket Accident and Sickness Insurance.—(a) Blanket accident and sickness insurance is hereby declared to be that form of accident and sickness insurance covering groups of persons in the following manner:*

*(1) Under a policy or contract issued to any common carrier or to any operator, owner or lessee of a means of transportation, who or which shall be deemed the policyholder covering all persons or all persons of a class who may become passengers on such common carrier or such means of transportation.*

*(2) Under a policy or contract issued to an employer who shall be deemed the policyholder, covering all employees, dependents or guests defined by reference to specified hazards, incident to the activities or operations of the employer or any class of employees, dependents or guests similarly defined.*

*(3) Under a policy or contract issued to a school or other institution of learning, camp or sponsor thereof, or to the head or principal thereof, who or which shall be deemed the policyholder, covering students or campers and which may cover supervisors and employes.*

*(4) Under a policy or contract issued in the name of any religious, charitable, recreational, educational or civic organization, which shall be deemed the policyholder, covering participants in activities sponsored by the organization.*

*(5) Under a policy or contract issued to a sports team or sponsors thereof, which shall be deemed the policyholder covering members, officials and supervisors.*

*(6) Under a policy or contract issued to cover any other risk or class of risks, which in the discretion of the Insurance Commissioner may be properly eligible for blanket accident and sickness insurance. The discretion of the Commissioner may be exercised on \*an individual risk basis or class \*\*of risks, or both.*

*(b) Every blanket accident and sickness insurance policy shall contain provisions which, in the opinion of the Insurance Commissioner, are at least as favorable to the policyholder and the individual insured as the following:*

*(1) A provision that the policy and the application shall constitute the entire contract between the parties and that all statements made by the policyholder shall, in absence of fraud, be deemed representations and not*

\* "any" in original.

\*\* "or" in original.

warranties, and that no such statements shall be used in defense to a claim under the policy, unless it is contained in a written application.

(2) A provision that written notice of sickness or of injury must be given to the insurer within twenty days after the date when such sickness or injury occurred. Failure to give notice within such time shall not invalidate nor reduce any claim, if it shall be shown not to have been reasonably possible to give such notice, and that notice was given as soon as was reasonably possible.

(3) A provision that the insurer will furnish to the policyholder such forms as are usually furnished by it for filing proof of loss. If such forms are not furnished before the expiration of fifteen days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of the policy as to proof of loss upon submitting, within the time fixed in the policy for filing proof of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

(4) A provision that in the case of claim for loss of time for disability, written proof of such loss must be furnished to the insurer within thirty days after the commencement of the period for which the insurer is liable, and that subsequent written proofs of the continuance of such disability must be furnished to the insurer at such intervals as the insurer may reasonably require, and that in the case of claim for any other loss written proof of such loss must be furnished to the insurer within ninety days after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof and that such proof was furnished as soon as was reasonably possible.

(5) A provision that all benefits payable under the policy, other than benefits for loss of time, will be payable immediately upon receipt of due written proof of such loss and that subject to due proof of loss all accrued benefits, payable under the policy for loss of time, will be paid not later than at the expiration of each period of thirty days during the continuance of the period for which the insurer is liable, and that any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of such proof.

(6) A provision that the insurer, at its own expense, shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim under the pol-

*icy and also the right and opportunity to make an autopsy, in case of death, where it is not prohibited by law.*

*(7) A provision that no action at law or in equity shall be brought to recover under the policy prior to the expiration of sixty days after written proof of loss has been furnished in accordance with the requirements of the policy and that no such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.*

*(c) An individual application shall not be required from a person covered under a blanket accident or sickness policy or contract, nor shall it be necessary for the insurer to furnish each person a certificate.*

*(d) Except as otherwise provided in this section, all benefits under any blanket accident and health policy shall be payable to the person insured or to his designated beneficiary or beneficiaries or to his estate. If the person insured be a minor or mental incompetent, such benefits may be made payable to his parent, guardian or other person actually supporting him, or if the entire cost of the insurance has been borne by the employer, such benefits may be made payable to the employer. The policy may provide that all or any portion of any indemnities provided by any such policy on account of hospital, nursing, medical or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering such services, but the policy may not require that the service be rendered by a particular hospital or person. Payment so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.*

*Section 621.4. Franchise Accident and Sickness Insurance.—Accident and sickness insurance on a franchise plan is hereby declared to be that form of accident and sickness insurance issued to:*

*(1) Five or more employes of any corporation, partnership or individual employer or any governmental corporation, agency or department thereof.*

*(2) Ten or more members, employes or employees of members of any trade or professional association or of a labor union or of any other association having had an active existence for at least two years, where such association or union has a constitution or by-laws and is formed in good faith for purposes other than that of obtaining insurance, where such persons with or without their dependents are issued the same form of an individual policy, varying only as to amounts and kinds of coverage applied for by such persons under an arrangement whereby the premiums on such policies may be paid to the in-*

*surer periodically by the employer, with or without payroll deductions or by the association for its members or by some designated person acting on behalf of such employer or association. The term "employees," as used herein, shall be deemed to include the officers, managers and employes of the employer and the individual proprietor or partners, if the employer is an individual proprietor or partnership.*

*Section 621.5. Companies Authorized to Write Group, Blanket and Franchise Policies.—Any insurance company authorized to write accident and sickness insurance in this Commonwealth shall have the power to issue group, accident and sickness insurance, blanket accident and sickness insurance and franchise accident and sickness insurance as defined in this act. No such group, blanket or franchise policy may be issued or delivered in this Commonwealth unless a copy of the form thereof shall have been filed in accordance with section three hundred fifty-four of this act.*

Section 3. All acts and parts of acts are repealed in so far as they are inconsistent with this act. General repeal.

APPROVED—The 9th day of December, A. D. 1955.

GEORGE M. LEADER

No. 234

### AN ACT

Amending the act of May seventeen, one thousand nine hundred twenty-one (Pamphlet Laws 789), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations, or exchanges; providing penalties; and repealing existing laws," changing provisions relating to fees.

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

Section 1. Section two hundred eleven, act of May seventeen, one thousand nine hundred twenty-one (Pamphlet Laws 789), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," amended June five, one thousand nine hundred forty-seven (Pamphlet Laws 439), and June twenty, one thou-

The Insurance Department Act of 1921.

Section 211, act of May 17, 1921, P. L. 789, amended June 5, 1947, P. L. 439, and June 20, 1947, P. L. 648, further amended.