

No. 1996-24

AN ACT

HB 1100

Amending the act of July 22, 1974 (P.L.589, No.205), entitled "An act relating to unfair insurance practices; prohibiting unfair methods of competition and unfair or deceptive acts and practices; and prescribing remedies and penalties," further providing for definitions and for unfair competition and practices.

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

Section 1. Section 3 of the act of July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance Practices Act, is amended by adding definitions to read:

Section 3. Definitions.—As used in this act:

"Abuse" has the meaning given in 23 Pa.C.S. § 6102(a) (relating to definitions), notwithstanding the limited applicability provision in paragraph (5) of the definition of "abuse" in 23 Pa.C.S. § 6102(a).

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"Family or household members" has the meaning given in 23 Pa.C.S. § 6102(a) (relating to definitions).

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"Victim" means an individual who is or has been subjected to abuse.

"Victim of abuse" means an individual who is a victim or an individual who seeks or has sought medical or psychological treatment for abuse, protection from abuse or shelter from abuse.

Section 2. Section 5(a) of the act is amended by adding a paragraph to read:

Section 5. Unfair Methods of Competition and Unfair or Deceptive Acts or Practices Defined.—(a) "Unfair methods of competition" and "unfair or deceptive acts or practices" in the business of insurance means:

* * *

(14) (i) Taking any of the following actions because the insured or applicant for an insurance policy or insurance contract is a victim of abuse:

(A) Denying, refusing to issue, refusing to renew, refusing to reissue or cancelling or terminating an insurance policy or insurance contract or restricting coverage under an insurance policy or insurance contract.

(B) Adding a surcharge, applying a rating factor or using any other underwriting standard or practice which adversely takes into account a history or status of abuse.

(C) Excluding or limiting benefits or coverage under an insurance policy or insurance contract for losses incurred.

(ii) Nothing in this paragraph shall be construed as:

(A) requiring that a person issue, renew or reissue an insurance policy or insurance contract solely because the insured or applicant is a victim of abuse; or

(B) requiring a person to provide benefits or coverage for losses incurred solely because the insured or applicant is a victim of abuse.

(iii) A person shall not be in violation of this paragraph if any action taken is permissible by law and applies to the same extent to all applicants and insureds without regard to whether an applicant or insured is a victim of abuse.

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Section 3. This act shall take effect immediately.

APPROVED—The 4th day of April, A.D. 1996.

THOMAS J. RIDGE