

No. 2015-30

AN ACT

HB 972

Amending the act of May 17, 1921 (P.L.682, No.284), 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," in life and endowment insurance and annuities, further providing for policy delivery.

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

Section 1. Section 404-A of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, added December 18, 1996 (P.L.1003, No.154), is amended to read:

Section 404-A. [Policy Delivery.—When the individual policy or annuity is delivered to the policyholder by the producer by hand, a delivery receipt shall be used. This receipt must be in a least a duplicate set and state the date the policy or annuity was received by the policyholder. The receipt date shall be the date on which the policyholder and producer sign the delivery receipt, and such date shall commence any applicable policy or annuity examination period. Copies of the delivery receipt must be provided to the policyholder on the date of policy or annuity delivery and to the issuing insurer. When the individual policy or annuity is delivered to the policyholder by a means other than by hand delivery by the producer, the insurer shall establish appropriate means of verifying delivery by the producer of the policy or annuity and of establishing the date from which any applicable policy or examination period shall commence. A certificate of mail is adequate proof of delivery.] *Delivery of Individual Policies and Annuities.—(a) For purposes of determining the commencement of the period during which the owner of an individual insurance policy or annuity may exercise any statutory right to examine, surrender or return the policy for cancellation, the date of delivery of the policy or annuity shall be:*

(1) the date of mailing of the policy or annuity by the insurer if the delivery is by the United States mail or other postal delivery system;

(2) the date the policy or annuity is physically delivered to the owner by a representative of the insurer; or

(3) the date of electronic transmission of the policy or annuity provided the electronic transmission has been effected in accordance with this section and the provisions of section 354.7 and any other state or Federal laws governing the electronic transmission of documents and information. The insurer shall retain evidence of electronic transmittal for the entire period of the insurance policy or annuity.

(b) In the event of a dispute with the owner of a policy or annuity, the burden of proof shall be on the insurer to establish that the policy or annuity was delivered. An insurer or representative of the insurer shall be deemed to have satisfied the burden of proof by showing, to the department's satisfaction, it has sent the policy or annuity in the normal course of business.

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

APPROVED—The 10th day of July, A.D. 2015

TOM WOLF