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BILL SUMMARY

COMMITTEE: Urban Affairs
PRIME SPONSOR: McGeehan
PREPARED BY: Melissa Z. Zorbaugh

DATE: 10/2/02
BILL NO.: HB 1954
PRINTER'S NO.: 3882
PHONE NO.: 7-3798

A. SUMMARY OF THE BILL:

This bill would amend the "Unfair Insurance Practices Act" (Act 205 of 1974) by expanding the definition of "unfair methods of competition" and "unfair or deceptive acts or practices" in the business of insurance to include refusal to renew an insurance policy for real property based on it being surrounded by unoccupied properties.

THIS BILL WAS AMENDED IN COMMITTEE VIA AMENDMENT A2339 (RAYMOND) TO REMOVE LANGUAGE THAT WOULD MAKE IT AN UNFAIR INSURANCE PRACTICE TO REFUSE TO ISSUE AN INSURANCE POLICY BASED ON THE SURROUNDING BUILDINGS BEING UNOCCUPIED.

THE AMENDMENT CLARIFIED THAT THE BILL WOULD ONLY PERTAIN TO "OWNER-OCCUPIED PRIVATE RESIDENTIAL PROPERTIES."

★ [ADDITIONALLY, THE AMENDMENT ADDED LANGUAGE TO ALLOW AN INSURANCE COMPANY TO NON-RENEW OR CANCEL A POLICY ON THE BASIS OF TWO OR MORE CLAIMS IN A THREE-YEAR PERIOD, UNLESS ONE OF THE CLAIMS WAS THE RESULT OF A CATASTROPHE (WEATHER-RELATED).] ★

B. SUMMARY OF RELEVANT EXISTING LAW:

This bill will make Pennsylvania's homeowner termination law consistent with the law that applies to auto insurers. Auto insurers can terminate for two or more claims in three years with certain weather-related exceptions consistent with this bill.