

No. 100

AN ACT

SB 658

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," prohibiting cancellation or termination of certain policies except for nonpayment of premiums.

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

Section 1. Section 653, act of May 17, 1921 (P.L.682, No.284), known as "The Insurance Company Law of 1921," amended July 2, 1953 (P.L.342, No.79), is amended to read:

Section 653. Prohibited Policy Provisions.—No policy of insurance against liability under "The Workmen's Compensation Act of nineteen hundred and fifteen," and acts amendatory thereof or supplementary thereto, or under "The Pennsylvania Occupational Disease Act of nineteen hundred and thirty-nine," and acts amendatory thereof or supplementary thereto, shall contain any limitation of the liability of the insurer to an amount less than that for which the insured employer may become liable under such acts during the term of such insurance. No such policy or contract of insurance, nor any agreement to deliver such insurance, shall be issued except upon a form approved by the Insurance Commissioner as complying with all the terms and provisions of this act. But a policy may be issued to a self insurer, qualified under section three hundred five of article three of "The Workmen's Compensation Act of nineteen hundred and fifteen," and acts amendatory thereof or supplementary thereto, or under section three hundred five of article three of "The Pennsylvania Occupational Disease Act of nineteen hundred and thirty-nine," and acts amendatory thereof or supplementary thereto, providing for the payment of any stated loss in excess of ten thousand dollars falling upon such self insurer, under the terms of the said acts, by reason of any single accident or by reason of any single occurrence resulting in disability from occupational disease.

Except for nonpayment of premiums, no policy of insurance issued or renewed against liability under the act of June 2, 1915 (P.L.736, No.338), known as "The Pennsylvania Workmen's Compensation Act," and acts amendatory thereof or supplementary thereto; or under the act of June 21, 1939 (P.L.566, No.284), known as "The Pennsylvania

Occupational Disease Act," and acts amendatory thereof or supplementary thereto; or under the Federal Coal Mine Health and Safety Act of 1969, as amended, Pub.L.91-173, December 30, 1969, 83 Stat. 742 et seq.; or insuring an employer against liability for all sums such employer shall become legally obligated to pay any employe of his as damages because of bodily injury by accident or disease, including death at any time resulting therefrom, sustained by such employe arising out of and in the course of his employment, may be cancelled or terminated by an insurer during the term of the policy.

Section 2. This act shall take effect immediately.

APPROVED—The 4th day of October, A. D. 1975.

MILTON J. SHAPP