

No. 397

AN ACT

SB 961

Amending the act of August 14, 1963 (P. L. 909), entitled "An act requiring, with limitations, that insurance policies insuring against loss occurring in connection with motor vehicles provide protection against certain uninsured motorists," removing provisions relating to the rejection of coverage by certain insureds and extending the hazard protection of uninsured motorists' insurance to insured motorists unable to collect legal liability payment because of insurer insolvency.

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

Section 1. Section 1, act of August 14, 1963 (P. L. 909), entitled "An act requiring, with limitations, that insurance policies insuring against loss occurring in connection with motor vehicles provide protection against certain uninsured motorists," is amended to read:

Section 1. (a) No motor vehicle liability policy of insurance insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this State with respect to any motor vehicle registered or principally garaged in this State, unless coverage is provided therein or supplemental thereto in limits for bodily injury or death as are fixed from time to time by the General Assembly in section 1421 of article XIV. of "The Vehicle Code," act of April 29, 1959 (P. L. 58), under provisions approved by the Insurance Commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death resulting therefrom, Provided, [however,] That: [the named insured]

(1) An owner or operator of (i) any motor vehicle designed for carrying freight or merchandise or, (ii) any motor vehicle operated for the carriage of passengers for hire or compensation, having in either instance been granted a certificate of public convenience or a permit by the Pennsylvania Public Utility Commission or been issued a certificate of public convenience and necessity or a permit by the Interstate Commerce Commission, and

¹ "insure" in original.

(2) An owner or operator of any other motor vehicle designed for carrying freight or merchandise or operated for the carriage of passengers for hire whose employes are insured under the provisions of "The Pennsylvania Workmen's Compensation Act," act of June 2, 1915 (P. L. 736), as amended, shall have the right to reject such coverage in writing [: And provided further, That unless the named insured requests such coverage in writing] in which event, such coverage need not be provided in or supplemental to a renewal policy where [the named] such insured had rejected the coverage in connection with a policy previously issued to him by the same insurer.

(b) For the purpose of this coverage the term "uninsured motor vehicle" shall be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency.

(c) An insured's insolvency protection shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tort-feasor becomes insolvent within six years after such an accident.

(d) In the event of payment to any person under the coverage required by this section, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer. Whenever an insurer shall make payment under the coverage required by this section, which payment is occasioned by an insolvency, such insurer's right of recovery or reimbursement shall not include any rights against the insured of said insolvent insurer, but such paying insurer shall have the right to proceed directly against the insolvent insurer or its receiver, and in pursuance of such right

such paying insurer shall possess any rights which the insured of the insolvent insurer might have had if the insured of the insolvent insurer had personally made the payment.

(e) The coverage required by this section does not apply:

(1) To property damage sustained by the insured.

(2) To bodily injury sustained by the insured with respect to which the insured or his representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.

(3) In any instance where it would inure directly or indirectly to the benefit of any workmen's compensation carrier or to any person qualified as a self-insurer under any workmen's compensation law.

(f) Nothing herein contained shall be construed to prevent any insurer from affording the coverage required by this section under terms and conditions more favorable to its insured than are provided herein.

Section 2. This act shall take effect January 1, 1969.

APPROVED—The 19th day of December, A. D. 1968.

RAYMOND P. SHAFER.

No. 398

AN ACT

HB 2381

Amending the act of March 10, 1949 (P. L. 30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," further providing for temporary or emergency increases in salaries.

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

¹ "a" in original.