

[This section shall not be construed as extending the provisions of this section to domestic mutual fire insurance companies.]

Upon satisfactory evidence of the violation of this section by any such person, corporation, insurance company, exchange, order, or society, the Insurance Commissioner may, in his discretion, pursue any one or more of the following courses of action: (1) Suspend or revoke the license of such offending person, corporation, insurance company, exchange, order or society; (2) refuse, for a period of not to exceed one year thereafter, to issue a new license to such person, corporation, insurance company, exchange, order, or society; (3) impose a fine of not more than one thousand dollars (\$1,000.00) for each and every act in violation of this act. When the Insurance Commissioner shall take action in any of the ways above recited, the person, corporation, insurance company, exchange, order, or society aggrieved may appeal therefrom to the court of common pleas of Dauphin County.

Section 2. This act shall take effect September 30, 1962. Effective date.

APPROVED—The 23rd day of August, A. D. 1961.

DAVID L. LAWRENCE

No. 488

### AN ACT

Amending the act of May 17, 1921 (P. L. 682), 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," requiring that policies of fire insurance issued by stock and mutual insurance companies, associations and exchanges contain standard policy provisions herein prescribed, permitting variations thereto, and prescribing penalties.

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

Section 1. The act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," is amended by adding, after section 505, two new sections to read:

The Insurance Company Law of 1921.

Act of May 17, 1921, P. L. 682, amended by adding two new sections 506 and 507.

*Section 506. Fire Insurance Contract; Standard Policy Provisions; Permissible Variations.—*

1. *As used in this section, the term “fire insurance” shall mean insurance against loss by fire, lightning or removal, as specified in paragraph (1) of subsection (b) of section 202 of this act, as amended, and the term shall not include insurances of the kind specified in any other portion of that section, amended as aforesaid, whether or not the risks of fire, lightning or removal be included.*

2. *Except as provided elsewhere in this section, no insurance company, association or exchange shall issue a policy affording fire insurance, as defined in this section, on property in this Commonwealth, unless such policy contains the following provisions as to such insurance:*

No.

[Space for insertion of name of company or companies issuing the policy and other matter permitted to be stated at the head of the policy.]

[Space for listing amounts of insurance, rates and premiums for the basic coverages insured under the standard form of policy and for additional coverages or perils insured under endorsements attached.]

In Consideration of the Provisions and Stipulations herein or added hereto

and of ..... Dollars Premium  
this company, for the } from the . . . day of . . . 19 . . . at noon, Standard Time, at  
term of ..... } to the . . . day of . . . 19 . . . location of property involved,  
to an amount not exceeding ..... Dollars,  
does insure .....

and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increase cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES \*ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part

\* “and endangered” in original.

of this policy, together with such other provisions, stipulations and agreements as may be added \*hereto, as provided in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents: but this policy shall not be valid unless countersigned by the duly authorized agent of this Company at .....

Secretary.

President.

Countersigned this .....day of.....19.....

Agent.

1 **Concealment,** This entire policy shall be void if, whether  
2 **fraud.** before or after a loss, the insured has wil-  
3 fully concealed or misrepresented any ma-  
4 terial fact or circumstance concerning this insurance or the  
5 subject thereof, or the interest of the insured therein, or in case  
6 of any fraud or false swearing by the insured relating thereto.  
7 **Uninsurable** This policy shall not cover accounts, bills,  
8 **and** currency, deeds, evidences of debt, money or  
9 **excepted property.** securities; nor, unless specifically named  
10 hereon in writing, bullion or manuscripts.  
11 **Perils not** This Company shall not be liable for loss by  
12 **included.** fire or other perils insured against in this  
13 policy caused, directly or indirectly, by: (a)  
14 enemy attack by armed forces, including action taken by mili-  
15 tary, naval or air forces in resisting an actual or an immediately  
16 impending enemy attack; (b) invasion; (c) insurrection; (d)  
17 rebellion; (e) revolution; (f) civil war; (g) usurped power; (h)  
18 order of any civil authority except acts of destruction at the time  
19 of and for the purpose of preventing the spread of fire, provided  
20 that such fire did not originate from any of the perils excluded  
21 by this policy; (i) neglect of the insured to use all reasonable  
22 means to save and preserve the property at and after a loss, or  
23 when the property is endangered by fire in neighboring prem-  
24 ises; (j) nor shall this Company be liable for loss by theft.  
25 **Other Insurance.** Other insurance may be prohibited or the  
26 amount of insurance may be limited by en-  
27 dorsement attached hereto.  
28 **Conditions suspending or restricting insurance. Unless other-**  
29 **wise provided in writing added hereto this Company shall not**  
30 **be liable for loss occurring**  
31 (a) while the hazard is increased by any means within the con-  
32 trol or knowledge of the insured; or  
33 (b) while a described building, whether intended for occupancy  
34 by owner or tenant, is vacant or unoccupied beyond a period of  
35 sixty consecutive days; or  
36 (c) as a result of explosion or riot, unless fire ensue, and in  
37 that event for loss by fire only.  
38 **Other perils** Any other peril to be insured against or sub-  
39 **or subjects.** ject of insurance to be covered in this policy  
40 shall be by endorsement in writing hereon or  
41 added hereto.  
42 **Added provisions.** The extent of the application of insurance  
43 under this policy and of the contribution to  
44 be made by this Company in case of loss, and any other pro-  
45 vision or agreement not inconsistent with the provisions of this  
46 policy, may be provided for in writing added hereto, but no pro-

\* "thereto" in original.

47 vision may be waived except such as by the terms of this policy  
48 is subject to change.

49 **Waiver** No permission affecting this insurance shall  
50 **provisions.** exist, or waiver of any provision be valid,  
51 unless granted herein or expressed in writing  
52 added hereto. No provision, stipulation or forfeiture shall be  
53 held to be waived by any requirement or proceeding on the part  
54 of this Company relating to appraisal or to any examination  
55 provided for herein.

56 **Cancellation** This policy shall be cancelled at any time  
57 **of policy.** at the request of the insured, in which case  
58 this Company shall, upon demand and sur-  
59 render of this policy, refund the excess of paid premium above  
60 the customary short rates for the expired time. This pol-  
61 icy may be cancelled at any time by this Company by giving  
62 to the insured a "five days" written notice of cancellation with  
63 or without tender of the excess of paid premium above the pro  
64 rata premium for the expired time, which excess, if not ten-  
65 dered, shall be refunded on demand. Notice of cancellation shall  
66 state that said excess premium (if not tendered) will be re-  
67 funded on demand.

68 **Mortgagee** If loss hereunder is made payable, in whole  
69 **interests and** or in part, to a designated mortgagee not  
70 **obligations.** named herein as the insured, such interest in  
71 this policy may be cancelled by giving to such  
72 mortgagee a ten days' written notice of can-  
73 cellation.

74 If the insured fails to render proof of loss such mortgagee, upon  
75 notice, shall render proof of loss in the form herein specified  
76 within sixty (60) days thereafter and shall be subject to the pro-  
77 visions hereof relating to appraisal and time of payment and of  
78 bringing suit. If this Company shall claim that no liability ex-  
79 isted as to the mortgagor or owner, it shall, to the extent of pay-  
80 ment of loss to the mortgagee, be subrogated to all the mort-  
81 gagee's rights of recovery, but without impairing mortgagee's  
82 right to sue; or it may pay off the mortgage debt and require  
83 an assignment thereof and of the mortgage. Other provisions  
84 relating to the interests and obligations of such mortgagee may  
85 be added hereto by agreement in writing.

86 **Pro rata liability.** This Company shall not be liable for a greater  
87 proportion of any loss than the amount  
88 hereby insured shall bear to the whole insurance covering the  
89 property against the peril involved, whether collectible or not.

90 **Requirements in** The insured shall give immediate written  
91 **case loss occurs.** notice to this Company of any loss, protect  
92 the property from further damage, forthwith  
93 separate the damaged and undamaged personal property, put  
94 it in the best possible order, furnish a complete inventory of  
95 the destroyed, damaged and undamaged property, showing in  
96 detail quantities, costs, actual cash value and amount of loss  
97 claimed; and within sixty days after the loss, unless such time  
98 is extended in writing by this Company, the insured shall render  
99 to this Company a proof of loss, signed and sworn to by the  
100 insured, stating the knowledge and belief of the insured as to  
101 the following: the time and origin of the loss, the interest of the  
102 insured and of all others in the property, the actual cash value of  
103 each item thereof and the amount of loss thereto, all encum-  
104 brances thereon, all other contracts of insurance, whether valid  
105 or not, covering any of said property, any changes in the title,  
106 use, occupation, location, possession or exposures of said prop-  
107 erty since the issuing of this policy, by whom and for what  
108 purpose any building herein described and the several parts  
109 thereof were occupied at the time of loss and whether or not it

\* "fives" in original.

110 then stood on leased ground, and shall furnish a copy of all the  
 111 descriptions and schedules in all policies and, if required, verified  
 112 plans and specifications of any building, fixtures or machinery  
 113 destroyed or damaged. The insured, as often as may be reason-  
 114 ably required, shall exhibit to any person designated by this  
 115 Company all that remains of any property herein described, and  
 116 submit to examinations under oath by any person named by this  
 117 Company, and subscribe the same; and, as often as may be  
 118 reasonably required, shall produce for examination all books of  
 119 account, bills, invoices and other vouchers, or certified copies  
 120 thereof if originals be lost, at such reasonable time and place as  
 121 may be designated by this Company or its representative, and  
 122 shall permit extracts and copies thereof to be made.

123 **Appraisal.** In case the insured and this Company shall  
 124 fail to agree as to the actual cash value or  
 125 the amount of loss, then, on the written demand of either, each  
 126 shall select a competent and disinterested appraiser and notify  
 127 the other of the appraiser selected within twenty days of such  
 128 demand. The appraisers shall first select a competent and dis-  
 129 interested umpire; and failing for fifteen days to agree upon  
 130 such umpire, then, on request of the insured or this Company,  
 131 such umpire shall be selected by a judge of a court of record in  
 132 the state in which the property covered is located. The ap-  
 133 praisers shall then appraise the loss, stating separately actual  
 134 cash value and loss to each item; and, failing to agree, shall  
 135 submit their differences, only, to the umpire. An award in writ-  
 136 ing, so itemized, of any two when filed with this Company shall  
 137 determine the amount of actual cash value and loss. Each  
 138 appraiser shall be paid by the party selecting him and the ex-  
 139 penses of appraisal and umpire shall be paid by the parties  
 140 equally.

141 **Company's** It shall be optional with this Company to  
 142 **options.** take all, or any part, of the property at the  
 143 agreed or appraised value, and also to re-  
 144 pair, rebuild or replace the property destroyed or damaged with  
 145 other of like kind and quality within a reasonable time, on giv-  
 146 ing notice of its intention so to do within thirty days after the  
 147 receipt of the proof of loss herein required.

148 **Abandonment.** There can be no abandonment to this Com-  
 149 pany of any property.

150 **When loss** The amount of loss for which this Company  
 151 **payable.** may be liable shall be payable sixty days  
 152 after proof of loss, as herein provided, is  
 153 received by this Company and ascertainment of the loss is made  
 154 either by agreement between the insured and this Company ex-  
 155 pressed in writing or by the filing with this Company of an  
 156 award as herein provided.

157 **Suit.** No suit or action on this policy for the recov-  
 158 ery of any claim shall be sustainable in any  
 159 court of law or equity unless all the requirements of this policy  
 160 shall have been \*compiled with, and unless commenced within  
 161 twelve months next after inception of the loss.

162 **Subrogation.** This Company may require from the insured  
 163 an assignment of all right of recovery against  
 164 any party for loss to the extent that payment therefor is made  
 165 by this Company.

*There may be printed upon the face of a policy which contains such provisions the words "Standard Fire Insurance Policy of the State of Pennsylvania" and including the name of any other states which adopt this form of policy.*

\* "compiled" in original.

3. *The provisions of subsection two of this section shall not apply to policies of perpetual insurance, policies of reinsurance, policies of an all-risk type, policies insuring aircraft, automobile or other motor vehicles against loss by fire, or policies insuring against loss by fire resulting directly or indirectly from bombardment, invasion, insurrection, riot, civil war, commotion, or military or usurped power, or by order of civil authority.*

4. *A policy affording fire insurance, as defined in this section, may, subject to the approval of the Insurance Commissioner as provided in section 354 of this act, include any other insurances which the insurer is authorized to make, and the wording set out in subsection two of this section may be modified in conformity with the provisions thereof or to accommodate additional property coverages and perils.*

5. *Notwithstanding any other provisions of this section:*

(a) *An insurer may print on its policy its name, such device or devices as the insurer issuing said policy may desire, the location of its principal office, and the date of its formation, plan of operation, the amount of its paid up capital, if any, the name of its officers and agents, the number and date of the policy, and, if it is issued through an agent, the words "this policy shall not be valid unless countersigned by the duly authorized agent of the company at ....."*

(b) *An insurer may print in its policies any provisions which it is authorized or required by law to insert therein, and an insurer not organized under the laws of this Commonwealth may, with the approval of the Insurance Commissioner, so print any provisions required by its charter or deed of settlement or by the laws of its own state or country not contrary to the law of this Commonwealth.*

(c) *An insurer may add either upon the face of the policy or on the riders or endorsements to be attached thereto, printed or written forms of description and specification or schedules of the property covered by any particular policy and any other matter necessary to express clearly all the facts and conditions of insurance on any particular risk. Insurers issuing the standard policy defined in this section are hereby authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under said policy. Nothing contained in this subsection shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage for loss or*

damage caused by nuclear reaction or nuclear radiation or radioactive contamination. Any endorsements or riders so attached must be signed by officers or agents of the company so issuing them.

(d) Binders or other contracts for temporary insurance, including fire insurance, as defined in this section, may be made orally or in writing, for a period which shall not exceed thirty days, and shall be deemed to include all the provisions of subsection two of this section and all such applicable endorsements approved by the Insurance Commissioner as may be designated in such contract of temporary insurance, except that the cancellation clause and the clause thereof specifying the hour of the day at which the insurance shall commence may be provided by the express terms of such contract of temporary insurance.

(e) Appropriate forms of supplemental contracts or extended coverage endorsements whereby the interest in the property described in a policy affording fire insurance, as herein defined, shall be insured against one or more of the other perils which the insurer is empowered to assume may be approved by the Insurance Commissioner, and their use in connection with such fire insurance policy may be authorized by him. A form of policy affording fire insurance, as herein defined, may be arranged to provide space for the listing of amounts of insurance, with insurance rates and premiums for the basic coverage insured thereunder, and for additional coverages or perils insured under endorsements attached, and such other data as may be conveniently included for duplication on daily reports for office records.

6. The form of policy, including fire insurance, as defined in this section, upon property in this Commonwealth, shall be plainly printed, and no portion thereof shall be in type smaller than seven (7) point.

7. After the effective date of this amendment, any insurance company, association or exchange not heretofore required to comply with the provisions of this act fixing standard policy provisions for fire insurance contracts, may file with the Insurance Commissioner a written notice of its election to comply with the provisions of this section after a specified date, upon which date this section shall become operative with respect to the policies and contracts thereafter issued by such company, association or exchange: Provided, however, That the operative date for every insurance company, association or exchange shall not in any event be later than January first, one thousand nine hundred sixty-three.

Section 507. Penalty for Issuing Other than Standard Fire Policies.—Upon satisfactory evidence that any per-

son, corporation, or insurance company, association or exchange has issued, or caused to be issued, any policy or contract of fire insurance on property situated in this Commonwealth contrary to the provisions of section 506 of this act, the Insurance Commissioner may, in his discretion, take, against the offending party, any one or more of the following courses of actions: (1) Suspend or revoke the license of such offending person, corporation, or insurance company, association or exchange; (2) refuse, for a period of not to exceed one year thereafter, to issue a new license to such offending person, corporation, or insurance company, association or exchange; (3) impose a penalty of not more than one thousand dollars (\$1,000) for each act of violation of said section. When the Insurance Commissioner shall have taken any action as above set forth, the party aggrieved may appeal to the court of common pleas of Dauphin County. Any person, corporation, or insurance company, association or exchange that shall, either as principal or agent, wilfully issue, or cause to be issued, any policy or contract of fire insurance on property situated within this Commonwealth contrary to the provisions of section 506 of this act, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500). Any policy issued in violation of this act shall nevertheless be construed in accordance with the provisions of this act.

Specific repeals.

Section 2. Sections 522 and 524 of the act are repealed.

APPROVED—The 23rd day of August, A. D. 1961.

DAVID L. LAWRENCE

No. 489

AN ACT

Amending the act of June 1, 1959 (P. L. 392), entitled "An act relating to the retirement of State employes; amending, revising, consolidating and changing the laws relating thereto," clarifying the provisions relating to the computation of allowances payable to members of the joint coverage group and to the filing of applications for withdrawal allowances.

State Employes' Retirement Code of 1959.

Paragraphs (a) and (i), subsection (1), section 403, act of June 1, 1959, P. L. 392, amended.

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

Section 1. Paragraphs (a) and (i) of subsection (1) of section 403, act of June 1, 1959 (P. L. 392), known as the "State Employes' Retirement Code of 1959," are amended to read: