

No. 1984-11

## AN ACT

SB 942

Amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for financial responsibility; providing for motor vehicle insurance first party benefits; providing for uninsured and underinsured motorist coverage; providing for an Assigned Risk Plan and Assigned Claims Plan; providing for a Catastrophic Loss Trust Fund; providing for insurance premiums; providing for fraud reporting immunity; providing for judicial arbitration limits; and making repeals.

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

Section 1. The definition of "proof of insurance" in section 102 of Title 75 of the Pennsylvania Consolidated Statutes is amended to read:

§ 102. Definitions.

Subject to additional definitions contained in subsequent provisions of this title which are applicable to specific provisions of this title, the following words and phrases when used in this title shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

\* \* \*

**["Proof of insurance." A card issued by an insurance carrier in compliance with regulations of the Insurance Commissioner evidencing that the vehicle is covered by the insurance required in section 104(a) of the act of July 19, 1974 (P.L.489, No.176), known as the "Pennsylvania No-fault Motor Vehicle Insurance Act" and regulations issued thereunder, or a card evidencing that the vehicle is self-insured in compliance with that act and regulations.]**

\* \* \*

Section 2. Sections 1117(a), 1305(a), 1306, 1309 and 1373 of Title 75 are amended to read:

§ 1117. Vehicle destroyed or junked.

(a) Application for certificate of junk.—Any owner who transfers a vehicle as scrap, or to be destroyed or junked, shall assign the certificate of title to the person to whom the vehicle is transferred. The transferee shall return the assigned certificate of title to the department immediately with an application for a certificate of junk upon a form furnished and prescribed by the department. An insurer, as defined in [the act of July 19, 1974 (P.L.489, No.176), known as the "Pennsylvania No-fault Motor Vehicle Insurance Act,"] *section 1702 (relating to definitions)*, to which title to a vehicle is assigned upon payment to the insured of the replacement value of the vehicle, shall be regarded as a transferee under this subsection.

\* \* \*

§ 1305. Application for registration.

(a) General rule.—Application for the registration of a vehicle shall be made to the department upon the appropriate form or forms furnished by the department. The application shall contain the full name and address of the owner or owners; the make, model, year and vehicle identification number of the vehicle; and such other information as the department may require. Applicants for registration of a truck, truck tractor, trailer or bus shall provide the vehicle's Gross Vehicle Weight Rating (GVWR), or the Gross Combination Weight Rating (GCWR), as applicable. If the manufacturer's ratings are not available, the applicant shall provide sufficient information as to the horsepower, braking capacity and such other data as necessary for the department to determine an equivalent measure of the vehicle's hauling and stopping capability. If the applicant wishes to register a vehicle at a registered gross weight less than the gross vehicle weight rating, the application shall include information as to weight, load and any other such information as the department may require. The application shall be accompanied by **[proof of insurance]** *self-certification of financial responsibility* and the applicable fee.

\* \* \*

§ 1306. Grounds for refusing registration.

The department shall refuse registration or renewal or transfer of registration when any of the following circumstances exists:

(1) The applicant is not entitled to registration under the provisions of this chapter.

(2) The applicant has at registration or titling neglected or refused to furnish the department with the information required on the appropriate official form, or any reasonable additional information required by the department.

(3) The department has reasonable grounds to believe that the application contains false or fraudulent information, or that the vehicle is stolen, which fact the department shall ascertain by reference to the stolen vehicle file required to be maintained under section 7114 (relating to records of stolen vehicles), or that the granting of registration would constitute a fraud against the rightful owner or other person having a valid lien upon the vehicle.

(4) The fees required by law have not been paid.

(5) The vehicle is not constructed or equipped as required by this title.

(6) The registration of the vehicle stands suspended for any reason as provided for in this title.

(7) *The Catastrophic Loss Trust Fund charge has not been paid.*

§ 1309. Renewal of registration.

At least 60 days prior to the expiration of each registration, the department shall send to the registrant an application for renewal of registration. Upon return of the application, accompanied by **[proof of insurance and]** *self-certification of financial responsibility*, the applicable fee or fees **and proof that the Catastrophic Loss Trust Fund charge has been paid**, the department shall send to the registrant a renewed registration card. Failure to

receive a renewal application shall not relieve a registrant from the responsibility to renew the registration.

§ 1373. Suspension of registration.

The department may suspend any registration after providing opportunity for a hearing in any of the following cases when the department finds upon sufficient evidence that:

(1) The vehicle is unsafe or unfit for operation or is not equipped as required by this title.

(2) The owner or registrant has made, or permitted to be made, any unlawful use of the vehicle or registration plate or plates, or registration card, or permitted the use by a person not entitled thereto.

(3) The owner or registrant has knowingly made a false statement or knowingly concealed a material fact or otherwise committed a fraud in any application or form required to be filed by this title.

(4) Upon the request or order of any court of record.

(5) The required fees have not been paid.

(6) The registrant or any agent or employee has repeatedly violated any of the provisions of this chapter or Chapter 11 (relating to certificate of title and security interests).

(7) *The Catastrophic Loss Trust Fund charge has not been paid.*

Section 3. Chapter 17 of Title 75 is repealed and a chapter is added to read:

CHAPTER 17  
FINANCIAL RESPONSIBILITY

Subchapter

- A. General Provisions
- B. Motor Vehicle Liability Insurance First Party Benefits
- C. Uninsured and Underinsured Motorist Coverage
- D. Assigned Risk Plan
- E. Assigned Claims Plan
- F. Catastrophic Loss Trust Fund
- G. Nonpayment of Judgments
- H. Proof of Financial Responsibility
- I. Miscellaneous Provisions

SUBCHAPTER A  
GENERAL PROVISIONS

Sec.

- 1701. Short title of chapter.
- 1702. Definitions.
- 1703. Application of chapter.
- 1704. Administration of chapter.

§ 1701. Short title of chapter.

This chapter shall be known and may be cited as the Motor Vehicle Financial Responsibility Law.

§ 1702. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Benefits” or “first party benefits.” Medical benefits, income loss benefits, accidental death benefits and funeral benefits.

“Department.” The Department of Transportation or Insurance Department, as applicable.

“Financial responsibility.” The ability to respond in damages for liability on account of accidents arising out of the ownership, maintenance or use of a motor vehicle in the amount of \$20,000 prior to July 1, 1986, and \$25,000 on or after that date because of injury to one person in any one accident, in the amount of \$40,000 prior to July 1, 1986, and \$50,000 on or after that date because of injury to two or more persons in any one accident and in the amount of \$7,500 prior to July 1, 1986, and \$10,000 on or after that date because of damage to property of others in any one accident. The financial responsibility shall be in a form acceptable to the Department of Transportation.

“Injury.” Accidentally sustained bodily harm to an individual and that individual’s illness, disease or death resulting therefrom.

“Insured.” Any of the following:

- (1) An individual identified by name as an insured in a policy of motor vehicle liability insurance.
- (2) If residing in the household of the named insured:
  - (i) a spouse or other relative of the named insured; or
  - (ii) a minor in the custody of either the named insured or relative of the named insured.

“Insurer” or “insurance company.” A motor vehicle liability insurer subject to the requirements of this chapter.

“Underinsured motor vehicle.” A motor vehicle for which the limits of available liability insurance and self-insurance are insufficient to pay losses and damages.

“Uninsured motor vehicle.” Any of the following:

- (1) A motor vehicle for which there is no liability insurance or self-insurance applicable at the time of the accident.
- (2) A motor vehicle for which the insurance company denies coverage or the insurance company is or becomes involved in insolvency proceedings in any jurisdiction.
- (3) An unidentified motor vehicle that causes an accident resulting in injury provided the accident is reported to the police or proper governmental authority and the claimant notifies his insurer within 30 days, or as soon as practicable thereafter, that the claimant or his legal representative has a legal action arising out of the accident.

§ 1703. Application of chapter.

This chapter does not apply with respect to any motor vehicle owned by the United States.

§ 1704. Administration of chapter.

(a) General rule.—Except as provided in subsection (b), the Department of Transportation shall administer and enforce this chapter and may make rules and regulations necessary for the administration and enforcement of this chapter.

(b) Insurance matters.—The Insurance Department shall administer and enforce those provisions of this chapter as to matters under its jurisdiction as determined by this chapter or other statute and may make rules and regulations necessary for the administration and enforcement of those provisions.

### SUBCHAPTER B MOTOR VEHICLE LIABILITY INSURANCE FIRST PARTY BENEFITS

Sec.

1711. Required medical benefit.

1712. Availability of benefits.

1713. Source of benefits.

1714. Ineligible claimants.

1715. Availability of adequate limits.

1716. Payment of benefits.

1717. Stacking of benefits.

1718. Exclusion from benefits.

1719. Coordination of benefits.

1720. Subrogation.

1721. Statute of limitations.

1722. Preclusion of pleading and proving of required medical benefit.

1723. Reporting requirements.

§ 1711. Required medical benefit.

An insurer issuing or delivering liability insurance policies covering any motor vehicle of the type required to be registered under this title, except recreational vehicles not intended for highway use, motorcycles, motor-driven cycles or motorized pedalcycles or like type vehicles, registered and operated in this Commonwealth, shall include coverage providing a medical benefit, as defined in section 1712(1) (relating to availability of benefits), with respect to injury arising out of the ownership, maintenance or use of a motor vehicle, in the amount of \$5,000. Insurance policies issued in accordance with this subchapter may also provide higher amounts of coverage and other types of coverage.

§ 1712. Availability of benefits.

An insurer issuing or delivering liability insurance policies covering any motor vehicle of the type required to be registered under this title, except recreational vehicles not intended for highway use, motorcycles, motor-driven cycles or motorized pedalcycles or like type vehicles, registered and operated in this Commonwealth, shall make available for purchase first party benefits with respect to injury arising out of the ownership, maintenance or use of a motor vehicle as follows:

(1) Medical benefit.—All reasonable and necessary expenses for medical treatment and rehabilitative services, including, but not limited to, hospital, dental, surgical, ambulance, chiropractic, licensed physical therapy, nursing services, vocational rehabilitation and occupational therapy, medications, medical supplies and prosthetic devices, all without limitation as to time, provided that, within 18 months from the date of the accident causing injury, it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the injury. Benefits under this paragraph may include any nonmedical remedial care and treatment rendered in accordance with a recognized religious method of healing. Expenses for hospital room charges may be limited to semiprivate accommodations.

(2) Income loss benefit.—Includes the following:

(i) Eighty percent of actual loss of gross income.

(ii) Reasonable expenses actually incurred for hiring a substitute to perform self-employment services thereby mitigating loss of gross income or for hiring special help thereby enabling a person to work and mitigate loss of gross income.

Income loss does not include loss of expected income for any period following the death of an individual or expenses incurred for services performed following the death of an individual. Income loss shall not commence until five working days have been lost after the date of the accident.

(3) Accidental death benefit.—A death benefit paid to the personal representative of the insured, should injury resulting from a motor vehicle accident cause death within 24 months from the date of the accident.

(4) Funeral benefit.—Expenses directly related to the funeral, burial, cremation or other form of disposition of the remains of a deceased individual, incurred as a result of the death of the individual as a result of the accident and within 24 months from the date of the accident.

(5) Combination benefit.—A combination of benefits described in paragraphs (1) through (4) as an alternative to the separate purchase of those benefits.

§ 1713. Source of benefits.

(a) General rule.—Except as provided in section 1714 (relating to ineligible claimants), a person injured in a motor vehicle accident shall recover first party benefits against applicable insurance coverage in the following order of priority:

(1) For a named insured, the policy on which he is the named insured.

(2) For an insured, the policy covering the insured.

(3) For the occupants of an insured motor vehicle, the policy on that motor vehicle.

(4) For a person who is not the occupant of a motor vehicle, the policy on any motor vehicle involved in the accident. For the purpose of this paragraph, a parked and unoccupied motor vehicle is not a motor vehicle involved in an accident unless it was parked so as to cause unreasonable risk of injury.

(b) Multiple sources of equal priority.—The insurer against whom a claim is asserted first under the priorities set forth in subsection (a) shall process and pay the claim as if wholly responsible. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim. If contribution is sought among insurers responsible under subsection (a)(4), proration shall be based on the number of involved motor vehicles.

§ 1714. Ineligible claimants.

An owner of a currently registered motor vehicle who does not have financial responsibility or an operator or occupant of a recreational vehicle not intended for highway use, motorcycle, motor-driven cycle, motorized pedalcycle or like type vehicle required to be registered under this title cannot recover first party benefits.

§ 1715. Availability of adequate limits.

(a) General rule.—An insurer shall make available for purchase first party benefits as follows:

- (1) For medical benefits, up to at least \$100,000.
- (2) For income loss benefits, up to at least \$2,500 per month up to a maximum benefit of at least \$50,000.
- (3) For accidental death benefits, up to at least \$25,000.
- (4) For funeral benefits, \$2,500.
- (5) For combination of benefits enumerated in paragraphs (1) through (4) and subject to a limit on the accidental death benefit of up to \$25,000 and a limit on the funeral benefit of \$2,500, up to at least \$277,500 of benefits in the aggregate or benefits payable up to three years from the date of the accident, whichever occurs first.

(b) Higher or lower limits and additional benefits.—An insured may elect to purchase higher or lower limits or additional benefits than those enumerated in subsection (a).

(c) Restriction on providing first party benefits.—An insurer shall not issue or deliver a policy providing first party benefits in accordance with this subchapter unless the policy also contains coverage for liability in amounts at least equal to the limits required for financial responsibility.

§ 1716. Payment of benefits.

Benefits are overdue if not paid within 30 days after the insurer receives reasonable proof of the amount of the benefits. If reasonable proof is not supplied as to all benefits, the portion supported by reasonable proof is overdue if not paid within 30 days after the proof is received by the insurer. Overdue benefits shall bear interest at the rate of 12% per annum from the date the benefits become due. In the event the insurer is found to have acted in an unreasonable manner in refusing to pay the benefits when due, the insurer shall pay, in addition to the benefits owed and the interest thereon, a reasonable attorney fee based upon actual time expended.

§ 1717. Stacking of benefits.

An insurer may provide that first party benefits shall not be increased by stacking the limits of coverage of:

(1) multiple motor vehicles covered under the same policy of insurance; or

(2) multiple motor vehicle policies covering the individual for the same loss.

§ 1718. Exclusion from benefits.

(a) General rule.—An insurer may exclude from benefits any insured, or his personal representative, under a policy enumerated in section 1711 (relating to required medical benefit) or 1712 (relating to availability of benefits), when the conduct of the insured contributed to the injury sustained by the insured in any of the following ways:

(1) While intentionally injuring himself or another or attempting to intentionally injure himself or another.

(2) While committing a felony.

(3) While seeking to elude lawful apprehension or arrest by a law enforcement official.

(b) Conversion of vehicle.—A person who knowingly converts a motor vehicle is ineligible to receive first party benefits from any source other than a policy of insurance under which he is an insured for any injury arising out of the maintenance or use of the converted vehicle.

§ 1719. Coordination of benefits.

(a) General rule.—Except for workers' compensation, a policy of insurance issued or delivered pursuant to this subchapter shall be primary. Any program, group contract or other arrangement for payment of benefits, such as described in section 1711 (relating to required medical benefit) or 1712(1) and (2) (relating to availability of benefits), shall be construed to contain a provision that all benefits provided therein shall be in excess of and not in duplication of any valid and collectible first party benefits provided in section 1711 or 1712.

(b) Definition.—As used in this section the term "program, group contract or other arrangement" includes, but is not limited to, benefits payable by a hospital plan corporation or a professional health service corporation subject to 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations) or 63 (relating to professional health services plan corporations).

§ 1720. Subrogation.

There shall be no right of subrogation or reimbursement from a claimant's tort recovery with respect to workers' compensation benefits, benefits available under section 1711 (relating to required medical benefit) or 1712 (relating to availability of benefits) or benefits in lieu thereof paid or payable under section 1719 (relating to coordination of benefits).

§ 1721. Statute of limitations.

(a) General rule.—If benefits have not been paid, an action for first party benefits shall be commenced within four years from the date of the accident giving rise to the claim. If first party benefits have been paid, an action for further benefits shall be commenced within four years from the date of the last payment.

(b) Minors.—For minors entitled to medical benefits described in section 1711 (relating to required medical benefit) or 1712(1) (relating to

availability of benefits), an action for medical benefits shall be commenced within four years from the date on which the injured minor attains 18 years of age.

(c) Definition.—As used in this section the term “further benefits” means expenses incurred not earlier than four years preceding the date an action is commenced.

§ 1722. Preclusion of pleading and proving of required medical benefit.

In any action for damages against a tortfeasor arising out of the ownership, maintenance or use of a motor vehicle, a person who is eligible to receive medical benefits under the minimum required coverage set forth in section 1711 (relating to required medical benefit) shall be precluded from pleading or introducing into evidence the amount of medical and rehabilitative expenses for which such benefits were paid or are payable. This preclusion applies only to the amount of required medical benefits set forth in section 1711.

§ 1723. Reporting requirements.

Beginning December 31, 1985, and each year thereafter, each insurance company writing automobile insurance in this Commonwealth shall file with the Insurance Department the number of its insureds, the number of its insureds who have purchased first party medical benefits in excess of the minimum required by section 1711 (relating to required medical benefit) and the number of insureds who have purchased first party medical benefits in the amount of \$100,000. The Insurance Department shall furnish this information to the General Assembly.

### SUBCHAPTER C UNINSURED AND UNDERINSURED MOTORIST COVERAGE

Sec.

1731. Scope and amount of coverage.

1732. Limits of coverage.

1733. Priority of recovery.

1734. Request for lower or higher limits of coverage.

1735. Coverages unaffected by workers' compensation benefits.

1736. Coverages in excess of required amounts.

§ 1731. Scope and amount of coverage.

(a) General rule.—No motor vehicle liability insurance policy shall be delivered or issued for delivery in this Commonwealth, with respect to any motor vehicle registered or principally garaged in this Commonwealth, unless uninsured motorist and underinsured motorist coverages are provided therein or supplemental thereto in amounts equal to the bodily injury liability coverage except as provided in section 1734 (relating to request for lower or higher limits of coverage).

(b) Uninsured motorist coverage.—Uninsured motorist coverage shall provide protection for persons who suffer injury arising out of the ownership, maintenance or use of a motor vehicle and are legally entitled to recover damages therefor from owners or operators of uninsured motor vehicles.

(c) Underinsured motorist coverage.—Underinsured motorist coverage shall provide protection for persons who suffer injury arising out of the ownership, maintenance or use of a motor vehicle and are legally entitled to recover damages therefor from owners or operators of underinsured motor vehicles.

(d) Limitation on recovery.—A person who recovers damages under uninsured motorist coverage or coverages cannot recover damages under underinsured motorist coverage or coverages for the same accident.

§ 1732. Limits of coverage.

Coverages offered under section 1731 (relating to scope and amount of coverage) shall be written for the same limits. No change shall be made in the limits of one of these coverages without an equal change in the limits of the other coverage.

§ 1733. Priority of recovery.

Where multiple policies apply, payment shall be made in the following order of priority:

(1) A policy covering a motor vehicle occupied by the injured person at the time of the accident.

(2) A policy covering a motor vehicle not involved in the accident with respect to which the injured person is an insured.

§ 1734. Request for lower or higher limits of coverage.

A named insured may request in writing the issuance of coverages under section 1731 (relating to scope and amount of coverage) in amounts less than the limits of liability for bodily injury but in no event less than the amounts required by this chapter for bodily injury. If the named insured has selected uninsured and underinsured motorist coverage in connection with a policy previously issued to him by the same insurer under section 1731, the coverages offered need not be provided in excess of the limits of liability previously issued for uninsured and underinsured motorist coverage unless the named insured requests in writing higher limits of liability for those coverages.

§ 1735. Coverages unaffected by workers' compensation benefits.

The coverages required by this subchapter shall not be made subject to an exclusion or reduction in amount because of any workers' compensation benefits payable as a result of the same injury.

§ 1736. Coverages in excess of required amounts.

The coverages provided under this subchapter may be offered by insurers in amounts higher than those required by this chapter but may not be greater than the limits of liability specified in the bodily injury liability provisions of the insured's policy.

#### SUBCHAPTER D ASSIGNED RISK PLAN

Sec.

1741. Establishment.

1742. Scope of plan.

1743. Rates.

1744. Termination of policies.

§ 1741. Establishment.

The Insurance Department shall, after consultation with the insurers licensed to write motor vehicle liability insurance in this Commonwealth, adopt a reasonable Assigned Risk Plan for the equitable apportionment among those insurers of applicants for motor vehicle liability insurance who are entitled to, but are unable to, procure insurance through ordinary methods. When the plan has been adopted, all motor vehicle liability insurers shall subscribe thereto and shall participate in the plan. The plan may provide reasonable means for the transfer of individuals insured thereunder into the ordinary market, at the same or lower rates, pursuant to regulations established by the department.

§ 1742. Scope of plan.

The Assigned Risk Plan shall:

- (1) Include rules for the classification of risks and rates therefor.
- (2) Provide for the installment payment of premiums subject to customary terms and conditions.

§ 1743. Rates.

All rates for the Assigned Risk Plan shall be subject to the act of June 11, 1947 (P.L.538, No.246), known as The Casualty and Surety Rate Regulatory Act, and shall not be inadequate, excessive or unfairly discriminatory.

§ 1744. Termination of policies.

Cancellation, refusal to renew and other termination of policies issued under the Assigned Risk Plan shall be in accordance with the rules of the plan.

## SUBCHAPTER E ASSIGNED CLAIMS PLAN

Sec.

1751. Organization.
1752. Eligible claimants.
1753. Benefits available.
1754. Uninsured motorist coverage.
1755. Coordination of benefits.
1756. Subrogation.
1757. Statute of limitations.

§ 1751. Organization.

Insurers providing financial responsibility as required by law shall organize and maintain, subject to the approval and regulation of the Insurance Department, an Assigned Claims Plan and adopt rules for the operation and for the assessment of costs on a fair and equitable basis.

§ 1752. Eligible claimants.

(a) General rule.—A person is eligible to recover benefits from the Assigned Claims Plan if the person meets the following requirements:

- (1) Is a resident of this Commonwealth.
- (2) Is injured as the result of a motor vehicle accident occurring in this Commonwealth.

(3) Is not an owner of a currently registered motor vehicle subject to this chapter.

(4) Is not the operator or occupant of a motor vehicle owned by the Federal Government or any of its agencies, departments or authorities.

(5) Is not the operator or occupant of a motor vehicle owned by a self-insurer or by an individual or entity who or which is immune from liability for, or is not required to provide, benefits or uninsured and underinsured motorist coverage.

(6) Is otherwise not entitled to receive any first party benefits under section 1711 (relating to required medical benefit) or 1712 (relating to availability of benefits) applicable to the injury arising from the accident.

(7) Is not the operator or occupant of a recreational vehicle not intended for highway use, motorcycle, motor-driven cycle or motorized pedalcycle or other like type vehicle required to be registered under this title and involved in the accident.

(b) Grounds for ineligibility.—A person otherwise qualifying as an eligible claimant under subsection (a) shall nevertheless be ineligible to recover benefits from the Assigned Claims Plan if that person contributed to his own injury in any of the following ways:

(1) While intentionally injuring himself or another or attempting to intentionally injure himself or another.

(2) While committing a felony.

(3) While seeking to elude lawful apprehension or arrest by a law enforcement official.

(4) While knowingly converting a motor vehicle.

#### § 1753. Benefits available.

An eligible claimant may recover medical benefits, as described in section 1712(1) (relating to availability of benefits), up to a maximum of \$5,000. No income loss benefit or accidental death benefit shall be payable under this subchapter. Funeral expenses, as described in section 1712(4), in the amount of \$2,500 shall be recoverable as an offset to the maximum amount of medical benefits available under this section.

#### § 1754. Uninsured motorist coverage.

An eligible claimant who has no other source of applicable uninsured motorist coverage and is otherwise entitled to recover in an action in tort against a party who has failed to comply with this chapter may recover for losses or damages suffered as a result of the injury up to \$20,000 for accidents occurring prior to July 1, 1986, and \$25,000 for accidents occurring on or after that date, subject to an aggregate limit for all claims arising out of any one motor vehicle accident of \$40,000 for accidents occurring prior to July 1, 1986, and \$50,000 for accidents occurring on or after that date. If a claimant recovers medical benefits under section 1753 (relating to benefits available), the amount of medical benefits recovered or recoverable up to \$5,000 shall be set off against any amounts recoverable in this section.

#### § 1755. Coordination of benefits.

(a) Workers' compensation.—All benefits (less reasonably incurred collection costs) that an eligible claimant receives or is entitled to receive from

workers' compensation and from any other source under local, state or Federal law shall be subtracted from any benefits available in section 1753 (relating to benefits available) unless the law authorizing or providing for those benefits makes them excess or secondary to the benefits in accordance with this subchapter.

(b) Accident and health benefits.—All benefits an eligible claimant receives or is entitled to receive as a result of injury from any available source of accident and health benefits shall be subtracted from those benefits available in section 1753.

§ 1756. Subrogation.

The Assigned Claims Plan or its assignee is entitled to recover, in accordance with the tort liability law of this Commonwealth, reimbursement for benefits paid, loss adjustment costs and any other sums paid to an eligible claimant under this subchapter.

§ 1757. Statute of limitations.

(a) General rule.—An action by an eligible claimant to recover benefits from the Assigned Claims Plan shall be commenced within three years from the date of the accident.

(b) Minors.—For minors entitled to benefits described in section 1753 (relating to benefits available) or 1754 (relating to uninsured motorist coverage), an action to recover these benefits or coverages shall be commenced within three years from the date on which the injured minor attains 18 years of age.

## SUBCHAPTER F CATASTROPHIC LOSS TRUST FUND

Sec.

1761. Definitions.

1762. Funding.

1763. Enforcement.

1764. Catastrophic Loss Trust Fund.

1765. Catastrophic Loss Trust Fund Board.

1766. Benefits.

1767. Annual reports.

1768. Appeals.

1769. Sunset review.

§ 1761. Definitions.

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Administrator.” The administrator designated by the Catastrophic Loss Trust Fund Board.

“Board.” The Catastrophic Loss Trust Fund Board.

“Catastrophic loss.” An injury, arising out of the ownership, maintenance or use of a motor vehicle, for which the reasonable and necessary expenses for medical treatment and rehabilitative services, as described in section 1712(1) (relating to availability of benefits), exceed \$100,000.

“Catastrophic loss benefit.” Payments by the Catastrophic Loss Trust Fund for those reasonable and necessary expenses for medical treatment and rehabilitative services which, as described in section 1712(1), exceed \$100,000, subject to the limitations provided in section 1766 (relating to benefits). Catastrophic loss benefits shall not duplicate any other payments for medical treatment and rehabilitative services.

“Eligible claimant.” Except as provided in the definition of ineligible claimant, eligible claimant includes a resident of this Commonwealth who suffers injury on or after the effective date of this subchapter arising out of the ownership, maintenance and use of a motor vehicle in the United States, its territories or possessions and Canada. The estate of an eligible claimant shall be entitled to receive catastrophic loss benefits pursuant to section 1766 to the extent that financial obligations for reasonable and necessary medical treatment and rehabilitative services were incurred by the eligible claimant prior to the death of that person. Otherwise eligible claimants shall not be disqualified from participating in or receiving benefits from the Catastrophic Loss Trust Fund for injuries suffered after the effective date of this subchapter but prior to their first registration renewal after the effective date of this subchapter.

“Executive director.” The executive director of the Catastrophic Loss Trust Fund Board.

“Fund.” The Catastrophic Loss Trust Fund.

“Fund charge.” The fund charge established under this subchapter.

“Ineligible claimant.” Any of the following:

(1) A person who is the owner of a motor vehicle who has not complied with the registration requirements of Chapter 13 (relating to registration of vehicles) and is injured while driving or occupying the vehicle.

(2) A person who is the driver or occupant of a recreational vehicle not intended for highway use, a motorcycle, a motorized pedalcycle, a motor-driven cycle or like type vehicle required to be registered under this title but not subject to the charge levied in section 1762 (relating to funding).

“Manager.” The manager designated by the Catastrophic Loss Trust Fund Board.

#### § 1762. Funding.

The Catastrophic Loss Trust Fund shall be funded by levying an initial charge of \$5 upon all motor vehicles required to be registered under Chapter 13 (relating to registration of vehicles) except trailers, recreational vehicles not intended for highway use, motorcycles, motor-driven cycles, motorized pedalcycles or like type vehicles. This charge shall be remitted to the insurance company at the same time as the payment of the premium. Upon receipt of the charge, the insurance company shall remit it to the Insurance Department for deposit in the trust fund. The Catastrophic Loss Trust Fund Board shall determine by January 1 of each calendar year the amount of the fund charge for each registration year subsequent to the initial registration year and shall notify the Insurance Department which shall notify the insurance companies to collect the charge. There shall be no change in the fund charge for three years after the effective date of this subchapter. The Insurance

Department shall publish notice of the fund charge to be levied in each registration year at least 30 days prior to the initiation of the charge.

§ 1763. Enforcement.

The Department of Transportation shall refuse registration or renewal or transfer of registration to the owner or owners of any motor vehicle for which registration is required under this subchapter until there is proof that the amount levied under this subchapter was paid. A person required to pay the fund charge required by section 1762 (relating to funding) who fails to comply with this requirement shall be ineligible to participate in or receive any catastrophic loss benefits from the fund.

§ 1764. Catastrophic Loss Trust Fund.

(a) Establishment.—A Catastrophic Loss Trust Fund shall be established to provide funds necessary to pay catastrophic loss benefits.

(b) Composition.—The fund shall be composed of moneys contributed pursuant to section 1762 (relating to funding) and funds earned by the investment and reinvestment of such moneys. The fund shall be held in trust, be deposited in a separate account and be the sole and exclusive source of funding for the payment of catastrophic loss benefits and the administration of the fund.

(c) Separation from General Fund and Motor License Fund.—The fund and all income earned by it shall not become part of the General Fund or Motor License Fund and no obligations or expense of or claim against the fund shall constitute a debt of the Commonwealth or a charge against the General Fund or Motor License Fund.

(d) Expenses in collecting fund charge.—Any expense incurred by the Commonwealth in the collection of the fund charge shall be paid by the fund.

§ 1765. Catastrophic Loss Trust Fund Board.

(a) Composition.—The fund shall be under the general supervision of a board of directors, which board shall be an independent board in the Insurance Department and which board shall be comprised of nine persons as follows:

(1) Four members of the General Assembly (1) appointed for two years as follows:

- (i) One appointed by the President pro tempore of the Senate.
- (ii) One appointed by the Minority Leader of the Senate.
- (iii) One appointed by the Speaker of the House of Representatives.
- (iv) One appointed by the Minority Leader of the House of Representatives.

(2) Four public members appointed by the General Assembly for two years as follows:

- (i) One appointed by the President pro tempore of the Senate.
- (ii) One appointed by the Minority Leader of the Senate.
- (iii) One appointed by the Speaker of the House of Representatives.
- (iv) One appointed by the Minority Leader of the House of Representatives.

(3) The Insurance Commissioner who shall serve as chairman.

(b) Compensation.—Public members of the board shall receive no compensation for their services but shall be reimbursed from the fund for reasonable expenses incurred in carrying out their duties.

(c) Powers and duties.—

(1) The board shall employ and fix the compensation of an executive director who shall carry out the decisions of the board. The executive director in consultation with the Insurance Commissioner and subject to the approval of the board shall promulgate rules and regulations necessary to carry out the purposes of the fund.

(2) The board shall contract with an entity (administrator) deemed qualified by the Insurance Commissioner to provide eligible claimants with catastrophic loss benefits. The contract shall not be for a term in excess of two years. Contracts shall be let pursuant to the bidding procedures of the Commonwealth.

(3) The board shall contract with an entity (manager) deemed qualified by the Insurance Commissioner and the State Treasurer to manage the moneys of the fund including their investment and reinvestment within the framework of the rules and regulations of the fund.

(4) The board shall contract for such other professional services, to include, but not be limited to, accountants, quality control auditors and actuaries, necessary to ensure contract compliance by the administrator and manager, and determine future fund charges.

(5) The board may purchase on behalf of the fund such insurance and reinsurance as may be necessary to preserve the financial solvency of the fund.

(6) Annually, the board shall consult with the administrator, the manager and an actuary to develop the fund charge. The charge shall be sufficient to ensure the fund has moneys to pay all claims and expenses for the succeeding year and develop actuarially sound reserves for incurred claims.

(d) Duties of executive director.—

(1) The executive director shall receive all claims for catastrophic loss benefits, forward them to the administrator for handling and monitor their progress.

(2) The executive director shall assist any party with whom the board has contracted pursuant to this section in the performance of their duties.

(3) The executive director shall establish a program to assure continuing publicity to the residents of this Commonwealth with respect to the existence of the fund, the coverages afforded thereby and the manner of the presentation of claims thereto.

(4) Subject to the approval of the board, the executive director shall employ such clerical staff as may be necessary to perform his assigned duties.

(e) Duties of administrator.—

(1) The administrator, upon receipt of a claim for catastrophic loss benefits, shall determine the eligibility of the claimant. If the claimant is

found to be eligible, the administrator shall establish a mechanism whereby payments to the provider for reasonable and necessary medical treatment and rehabilitative services shall be promptly made in amounts not in excess of the limitations set forth in this subchapter.

(2) The administrator, not less than annually, shall evaluate the medical treatment and rehabilitative services being provided each eligible claimant to assure that the same represents the most prudent expenditure of funds.

(f) Duties of manager.—

(1) The manager shall accept the moneys of the fund collected by the Department of Transportation.

(2) The manager may invest and reinvest the moneys of the fund in the type of investments and in a manner as determined by the Insurance Department based upon investments allowed by law and investment policies for similar fiduciaries.

§ 1766. Benefits.

(a) General rule.—Subject to the limitations set forth in subsection (b), the Catastrophic Loss Trust Fund shall provide catastrophic loss benefits to eligible claimants for the payment of expenses for medical treatment and rehabilitative services in excess of \$100,000. No payment shall be made by the fund for the first \$100,000 of expenses for medical treatment and rehabilitative services incurred by an eligible claimant.

(b) Maximum benefit.—The maximum catastrophic loss benefit which shall be paid by the fund on behalf of any one eligible claimant shall be \$50,000 per year and \$1,000,000 lifetime aggregate, unless said expenses for medical treatment are incurred and paid within one calendar year subject to the \$1,000,000 limit.

(c) Effect of other benefits.—Except for workers' compensation, catastrophic loss benefits paid by the fund shall be primary to any other available source of accident or health benefits including any program, group contract or other private or public source of benefits unless the law authorizing or providing those benefits makes the benefits primary to the benefits provided under this subchapter.

(d) Structured settlements.—The administrator may enter into structured settlements to pay benefits under this subchapter. Where it appears the settlement will be both cost effective to the fund and in the best interest of the claimant, the restrictions in subsection (b) shall not apply to this subsection, but in no event shall the cost of the structured settlement exceed the aggregate maximum of \$1,000,000.

(e) Preclusion of pleading and proving benefits.—In any action for damages against a tortfeasor arising out of the ownership, maintenance or use of a motor vehicle, a person who is eligible to receive catastrophic loss benefits shall be precluded from pleading or introducing into evidence the amount of medical and rehabilitative expenses for which such benefits were paid or are payable. This preclusion applies only to catastrophic loss benefits.

(f) Subrogation.—There shall be no subrogation or reimbursement from a claimant's tort recovery with respect to catastrophic loss benefits.

§ 1767. Annual reports.

By March 1 of each year subsequent to the first full calendar year after the effective date of this subchapter, the Insurance Department shall prepare and provide to the Governor and to the General Assembly a written report of the status and activities of the Catastrophic Loss Trust Fund. In its second annual report and in every second annual report thereafter, the department shall include in its report findings and recommendations with respect to the operation of the fund and the actuarial soundness of the fund. Each annual report shall also include an audit by the Auditor General of the amounts paid to each eligible person so as to avoid duplications, errors or fraud.

§ 1768. Appeals.

If any person making a claim for benefits from the Catastrophic Loss Trust Fund disputes a determination of the administrator concerning eligibility for benefits, allowance of benefits or otherwise, the person so claiming may request that the Insurance Commissioner review the determination of the administrator. The Insurance Commissioner shall provide the person so claiming and the administrator the opportunity to present statements or other documents and, at the election of either of these individuals, the opportunity for a hearing pursuant to Title 2 (relating to administrative law and procedure).

§ 1769. Sunset review.

This subchapter shall be subject to periodic evaluation, review and termination or continuation under the act of December 22, 1981 (P.L.508, No.142), known as the Sunset Act, every six years commencing with an initial termination date of December 31, 1990.

## SUBCHAPTER G NONPAYMENT OF JUDGMENTS

Sec.

1771. Court reports on nonpayment of judgments.

1772. Suspension for nonpayment of judgments.

1773. Continuation of suspension until judgments paid and proof given.

1774. Payments sufficient to satisfy judgments.

1775. Installment payment of judgments.

§ 1771. Court reports on nonpayment of judgments.

(a) General rule.—Whenever any person fails within 60 days to satisfy any judgment arising from a motor vehicle accident, the judgment creditor may forward to the department a certified copy of the judgment.

(b) Notice to state of nonresident defendant.—If the defendant named in any certified copy of a judgment reported to the department is a nonresident, the department shall transmit a certified copy of the judgment to the official in charge of the issuance of licenses and registration certificates of the state of which the defendant is a resident.

§ 1772. Suspension for nonpayment of judgments.

(a) General rule.—The department, upon receipt of a certified copy of a judgment, shall suspend the operating privilege of each person against whom the judgment was rendered except as otherwise provided in this section and in section 1775 (relating to installment payment of judgments).

(b) Nonsuspension with consent of judgment creditor.—If the judgment creditor consents in writing, in such form as the department may prescribe, that the judgment debtor's operating privilege be retained or restored, the department shall not suspend or shall restore until the consent is revoked in writing, notwithstanding default in the payment of the judgment, or of any installment thereof prescribed in section 1775, provided the judgment debtor furnishes proof of financial responsibility.

(c) Financial responsibility in effect at time of accident.—Any person whose operating privilege has been suspended, or is about to be suspended or become subject to suspension, under this chapter shall be relieved from the effect of the judgment as prescribed in this chapter if the person files evidence satisfactory to the department that financial responsibility was in force and effect at the time of the accident resulting in the judgment and is or should be available for the satisfaction of the judgment. If insurance already obtained is not available because the insurance company has gone into receivership or bankruptcy, the person shall only be required to present to or file with the department proper evidence that an insurance policy was in force and effect at the time of the accident.

§ 1773. Continuation of suspension until judgments paid and proof given.

A person's operating privilege shall remain suspended and shall not be renewed in the name of that person unless and until every judgment is stayed, satisfied in full or to the extent provided in this subchapter, and until the person furnishes proof of financial responsibility as required.

§ 1774. Payments sufficient to satisfy judgments.

(a) General rule.—For the purpose of this chapter only, judgments shall be deemed satisfied upon the occurrence of one of the following:

(1) When \$25,000 has been credited upon any judgment or judgments rendered in excess of that amount because of injury to one person as the result of any one accident. Prior to July 1, 1986, the amount required to be credited shall be \$20,000.

(2) When \$50,000 has been credited upon any judgment or judgments rendered in excess of that amount because of injury to two or more persons as the result of any one accident. Prior to July 1, 1986, the amount required to be credited shall be \$40,000.

(3) When \$10,000 has been credited upon any judgment or judgments rendered in excess of that amount because of damage to property of others as the result of any one accident. Prior to July 1, 1986, the amount required to be credited shall be \$7,500.

(b) Credit for payment under settlement.—Payments made in settlement of any claims because of bodily injury or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this section.

(c) Escrow deposit by judgment debtor.—When the judgment creditor cannot be found, the judgment debtor may deposit in escrow with the prothonotary of the court where the judgment was entered an amount equal to the amount of the judgment, subject to the limits set forth in subsection (a), interest to date and record costs, whereupon the prothonotary shall notify the department and the judgment shall be deemed satisfied. The amount deposited shall be retained by the prothonotary for a period of five years from the date of the deposit, after which, if it has not been claimed by the judgment creditor, it shall be returned to the judgment debtor. When the deposit is made, the prothonotary shall notify the judgment creditor and his counsel, if any, by certified or registered mail at his last known address. No interest shall run on any judgment with respect to the amount deposited with the prothonotary under the terms of this subsection.

§ 1775. Installment payment of judgments.

(a) Order authorizing installment payment.—A judgment debtor, upon due notice to the judgment creditor, may apply to the court in which the judgment was rendered for the privilege of paying the judgment in installments and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may so order and fix the amounts and times of payment of the installments.

(b) Suspension prohibited during compliance with order.—The department shall not suspend a driver's operating privilege and shall restore any operating privilege suspended following nonpayment of a judgment when the judgment debtor obtains an order permitting payment of the judgment in installments and while the payment of any installment is not in default, provided that the judgment debtor furnishes proof of financial responsibility.

(c) Suspension for default in payment.—In the event the judgment debtor fails to pay any installment as specified by the order, then, upon notice of the default, the department shall suspend the operating privilege of the judgment debtor until the judgment is satisfied as provided in this chapter.

## SUBCHAPTER H PROOF OF FINANCIAL RESPONSIBILITY

Sec.

- 1781. Notice of sanction for not evidencing financial responsibility.
- 1782. Manner of providing proof of financial responsibility.
- 1783. Proof of financial responsibility before restoring operating privilege or registration.
- 1784. Proof of financial responsibility following violation.
- 1785. Proof of financial responsibility following accident.
- 1786. Self-certification of financial responsibility.

§ 1781. Notice of sanction for not evidencing financial responsibility.

An applicant for registration of a vehicle shall acknowledge on a form developed by the Department of Transportation that the applicant knows he may lose his operating privilege or vehicle registrations if he fails to evidence

financial responsibility for the purposes described in section 1772 (relating to suspension for nonpayment of judgments), 1783 (relating to proof of financial responsibility before restoring operating privilege or registration), 1784 (relating to proof of financial responsibility following violation) or 1785 (relating to proof of financial responsibility following accident).

§ 1782. Manner of providing proof of financial responsibility.

(a) General rule.—Proof of financial responsibility may be furnished by filing evidence satisfactory to the department that all motor vehicles registered in a person's name are covered by motor vehicle liability insurance or other reliable financial arrangements, deposits, resources or commitments equal to that afforded by a contract of insurance complying with this chapter.

(b) Nonresident.—The nonresident owner of a motor vehicle not registered in this Commonwealth may give proof of financial responsibility by filing with the department a written certificate or certificates of an insurance company authorized to transact business in the state in which the motor vehicle or motor vehicles described in the certificate are registered or, if the nonresident does not own a motor vehicle, then evidence satisfactory to the department that the person does not own a motor vehicle. The department shall accept the certificate upon condition that the insurance company complies with the following provisions with respect to the policies so certified:

(1) The insurance company shall execute a power of attorney authorizing the department to accept service on its behalf or process in any action arising out of a motor vehicle accident in this Commonwealth.

(2) The insurance company shall agree in writing that the policies shall be deemed to conform with the laws of this Commonwealth relating to the terms of motor vehicle liability policies issued in this Commonwealth.

(c) Default by foreign insurance company.—If any insurance company not authorized to transact business in this Commonwealth, which has qualified to furnish proof of financial responsibility, defaults in any undertakings or agreements, the department shall not thereafter accept as proof any certificate of the company whether theretofore filed or thereafter tendered as proof as long as the default continues.

§ 1783. Proof of financial responsibility before restoring operating privilege or registration.

Whenever the department suspends or revokes the operating privilege of any person or the registration of any vehicle pursuant to section 1532 (relating to revocation or suspension of operating privilege), 1542 (relating to revocation of habitual offender's license), 1772 (relating to suspension for nonpayment of judgments), 1784 (relating to proof of financial responsibility following violation) or 1785 (relating to proof of financial responsibility following accident), or upon receiving the record of a conviction or forfeiture of bail, the department shall not restore the operating privilege or the applicable registration until the person furnishes proof of financial responsibility.

§ 1784. Proof of financial responsibility following violation.

A defendant who is convicted of a traffic offense, other than a parking offense, that requires a court appearance shall be required to show proof of financial responsibility covering the operation of the vehicle at the time of the offense. If the defendant fails to show proof of financial responsibility, the court shall notify the department of that fact. Upon receipt of the notice, the department shall revoke the registration of the vehicle. If the defendant is the owner of the vehicle, the department shall also revoke the operating privilege of the defendant.

§ 1785. Proof of financial responsibility following accident.

If the department determines that the owner of a motor vehicle involved in an accident required to file an accident report did not maintain financial responsibility on the motor vehicle at the time of the accident, the department shall suspend the operating privilege of the person required to file the report.

§ 1786. Self-certification of financial responsibility.

The Department of Transportation shall require that each motor vehicle registrant certify that the registrant is financially responsible at the time of registration or renewal thereof. The department shall refuse to register or renew the registration of a vehicle for failure to comply with this requirement or falsification of self-certification.

## SUBCHAPTER I MISCELLANEOUS PROVISIONS

Sec.

1791. Notice of available benefits and limits.

1792. Availability of uninsured, underinsured, bodily injury liability and property damage coverages.

1793. Special provisions relating to premiums.

1794. Compulsory judicial arbitration jurisdiction.

1795. Insurance fraud reporting immunity.

§ 1791. Notice of available benefits and limits.

It shall be presumed that the insured has been advised of the benefits and limits available under this chapter provided the following notice in bold print of at least ten-point type is given to the applicant at the time of application for original coverage or at the time of the first renewal after July 1, 1984, and no other notice or rejection shall be required:

### IMPORTANT NOTICE

Insurance companies operating in the Commonwealth of Pennsylvania are required by law to make available for purchase the following benefits for you, your spouse or other relatives or minors in your custody or in the custody of your relatives, residing in your household, occupants of your motor vehicle or persons struck by your motor vehicle:

- (1) Medical benefits, up to at least \$100,000.

(2) Income loss benefits, up to at least \$2,500 per month up to a maximum benefit of at least \$50,000.

(3) Accidental death benefits, up to at least \$25,000.

(4) Funeral benefits, \$2,500.

(5) As an alternative to paragraphs (1) through (4), a combination benefit, up to at least \$277,500 of benefits in the aggregate or benefits payable up to three years from the date of the accident, whichever occurs first, subject to a limit on accidental death benefit of up to \$25,000 and a limit on funeral benefit of \$2,500.

(6) Uninsured, underinsured and bodily injury liability coverage up to at least \$100,000 because of injury to one person in any one accident and up to at least \$300,000 because of injury to two or more persons in any one accident or, at the option of the insurer, up to at least \$300,000 in a single limit for these coverages, except for policies issued under the Assigned Risk Plan. Also, at least \$7,500 prior to July 1, 1986, and at least \$10,000 on or after that date for damage to property of others in any one accident.

Additionally, insurers may offer higher benefit levels than those enumerated above as well as additional benefits. However, an insured may elect to purchase lower benefit levels than those enumerated above.

Your signature on this notice or your payment of any renewal premium evidences your actual knowledge and understanding of the availability of these benefits and limits as well as the benefits and limits you have selected.

§ 1792. Availability of uninsured, underinsured, bodily injury liability and property damage coverages.

Except for policies issued under Subchapter D (relating to Assigned Risk Plan), an insurer issuing a policy of bodily injury liability coverage pursuant to this chapter shall make available for purchase higher limits of uninsured, underinsured and bodily injury liability coverages up to at least \$100,000 because of injury to one person in any one accident and up to at least \$300,000 because of injury to two or more persons in any one accident or, at the option of the insurer, up to at least \$300,000 in a single limit for these coverages. Additionally, an insurer shall make available for purchase at least \$7,500 prior to July 1, 1986, and at least \$10,000 on or after that date because of damage to property of others in any one accident. However, the exclusion of availability relating to the Assigned Risk Plan shall not apply to damage to property of others in any one accident.

§ 1793. Special provisions relating to premiums.

(a) Limitation on premium increases.—

(1) An insurer shall not increase the premium rate of an owner of a policy of insurance subject to this chapter solely because one or more of the insureds under the policy made a claim under the policy and was paid thereon unless it is determined that the insured was at fault in contributing to the accident giving rise to the claim.

(2) No insurer shall charge an insured who has been convicted of a violation of an offense enumerated in section 1535 (relating to schedule of

convictions and points) a higher rate for a policy of insurance solely on account of the conviction. An insurer may charge an insured a higher rate for a policy of insurance if a claim is made under paragraph (1).

(b) Surcharge disclosure plan.—All insurers shall provide to the insured a surcharge disclosure plan. The insurer providing the surcharge disclosure plan shall detail the provisions of the plan including, but not limited to:

(1) A description of conditions that would assess a premium surcharge to an insured along with the estimated increase of the surcharge per policy period per policyholder.

(2) The number of years any surcharge will be in effect.

The surcharge disclosure plan shall be delivered to each insured by the insurer at least once annually. Additionally, the surcharge information plan shall be given to each prospective insured at the time application is made for motor vehicle insurance coverage.

(c) Return of premiums of canceled policies.—When an insurer cancels a motor vehicle insurance policy which is subject to section 6(3) of the act of June 5, 1968 (P.L.140, No.78), relating to writing, cancellation of or refusal to renew policies of automobile insurance, the insurer shall within 30 days of canceling the policy return to the insured all premiums paid under the policy less any proration for the period the policy was in effect. Premiums are overdue if not paid to the insured within 30 days after canceling the policy. Overdue return premiums shall bear interest at the rate of 12% per annum from the date the return premium became due.

(d) Rules and regulations.—The Insurance Department shall promulgate rules and regulations establishing guidelines and procedures for determining fault of an insured for the purpose of subsection (a) and guidelines for the content and format of the surcharge disclosure plan.

§ 1794. Compulsory judicial arbitration jurisdiction.

Beginning July 1, 1986, the monetary limit in 42 Pa.C.S. § 7361(b)(2)(i) (relating to compulsory arbitration) for the submission of matters to judicial arbitration in judicial districts embracing first and second class counties shall be \$25,000 for actions arising from the ownership, maintenance or use of a motor vehicle.

§ 1795. Insurance fraud reporting immunity.

(a) General rule.—An insurance company, and any agent, servant or employee acting in the course and scope of his employment, shall be immune from civil or criminal liability arising from the supply or release of written or oral information to any duly authorized Federal or State law enforcement agency upon compliance with the following:

(1) The information is supplied to the agency in connection with an allegation of fraudulent conduct on the part of any person relating to the filing or maintenance of a motor vehicle liability claim for bodily injury or property damage.

(2) The insurance company, agent, servant or employee has probable cause to believe that the information supplied is reasonably related to the allegation of fraud.

(b) Notice to policyholder.—The insurance company shall send written notice to the policyholder or policyholders about whom the information pertains unless the insurance company receives notice that the authorized agency finds, based on specific facts, that there is reason to believe that the information will result in any of the following:

- (1) Endangerment to the life or physical safety of any person.
- (2) Flight from prosecution.
- (3) Destruction of or tampering with evidence.
- (4) Intimidation of any potential witness or witnesses.
- (5) Obstruction of or serious jeopardy to an investigation.

The insurance company shall send written notice not sooner than 45 days nor more than 60 days from the time the information is furnished to an authorized agency except when the authorized agency specifies that a notice should not be sent in accordance with the exceptions enumerated in this subsection in which event the insurance company shall send written notice to the policyholder not sooner than 180 days nor more than 190 days following the date the information is furnished.

(c) Immunity for sending notice.—An insurance company or authorized agency and any person acting on behalf of an insurance company or authorized agency complying with or attempting in good faith to comply with subsection (b) shall be immune from civil liability arising out of any acts or omissions in so doing.

(d) Applicability.—Nothing in this section shall be construed to create any rights to privacy or causes of action on behalf of policyholders that are not in existence as of the effective date of this section.

Section 4. Sections 3744(a), 3745 and 6308(a) of Title 75 are amended to read:

§ 3744. Duty to give information and render aid.

(a) General rule.—The driver of any vehicle involved in an accident resulting in injury to or death of any person or damage to any vehicle or other property which is driven or attended by any person shall give his name, address and the registration number of the vehicle he is driving, and shall upon request exhibit his driver's license and **[proof of insurance] information relating to financial responsibility** to any person injured in the accident or to the driver or occupant of or person attending any vehicle or other property damaged in the accident and shall give the information and upon request exhibit the license and **[proof of insurance] information relating to financial responsibility** to any police officer at the scene of the accident or who is investigating the accident and shall render to any person injured in the accident reasonable assistance, including the making of arrangements for the carrying of the injured person to a physician, surgeon or hospital for medical or surgical treatment if it is apparent that treatment is necessary or if requested by the injured person.

\* \* \*

§ 3745. Accidents involving damage to unattended vehicle or property.

The driver of any vehicle which collides with or is involved in an accident with any vehicle or other property which is unattended resulting in any

damage to the other vehicle or property shall immediately stop the vehicle at the scene of the accident or as close thereto as possible and shall then and there either locate and notify the operator or owner of the damaged vehicle or other property of his name, address, information relating to **[the certificate of insurance] financial responsibility** and the registration number of the vehicle being driven or shall attach securely in a conspicuous place in or on the damaged vehicle or other property a written notice giving his name, address, information relating to **[the certificate of insurance] financial responsibility** and the registration number of the vehicle being driven and shall without unnecessary delay notify the nearest office of a duly authorized police department. Every stop shall be made without obstructing traffic more than is necessary.

§ 6308. Investigation by police officers.

(a) Duty of operator or pedestrian.—The operator of any vehicle or any pedestrian reasonably believed to have violated any provision of this title shall stop upon request or signal of any police officer and shall, upon request, exhibit a registration card, driver's license and **[proof of insurance] information relating to financial responsibility**, or other means of identification if a pedestrian or driver of a pedalcycle, and shall write their name in the presence of the police officer if so required for the purpose of establishing identity.

\* \* \*

Section 5. (a) Any insurer subject to 75 Pa.C.S. Ch. 17 (relating to financial responsibility) making a filing, with an effective date on or after July 1, 1984, under section 4 of the act of June 11, 1947 (P.L.538, No.246), known as The Casualty and Surety Rate Regulatory Act, shall become effective immediately upon its filing and is deemed to comply with that act unless disapproved by the Insurance Commissioner under the procedures prescribed in section 5 of that act. This file and use section is limited to two filings per coverage.

(b) This section supersedes the prior approval requirements of The Casualty and Surety Rate Regulatory Act and rules and regulations promulgated thereunder insofar as they are inconsistent with this act.

(c) This section expires July 1, 1985.

Section 6. A reference in a statute to the act of July 19, 1974 (P.L.489, No.176), known as the Pennsylvania No-fault Motor Vehicle Insurance Act, shall be deemed a reference to 75 Pa.C.S. Ch. 17 (relating to financial responsibility).

Section 7. (a) Except as provided in subsection (b), the provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

(b) The provisions of 75 Pa.C.S. Ch. 17 Subch. F (relating to Catastrophic Loss Trust Fund) are nonseverable. If any provision of that subchapter or its application to any person or circumstances is held invalid, the remaining provisions or applications of that subchapter are void.

Section 8. (a) The act of July 19, 1974 (P.L.489, No.176), known as the Pennsylvania No-fault Motor Vehicle Insurance Act, is repealed.

(b) The following acts and parts of acts are repealed insofar as they are inconsistent with this act:

42 Pa.C.S. § 7361(b)(2)(i) (relating to compulsory arbitration).

42 Pa.C.S. § 8124(c)(9) (relating to exemption of particular property).

(c) All other acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 9. This act applies to insurance policies issued or renewed on or after the effective date of this act.

Section 10. This act shall take effect July 1, 1984, or immediately, whichever is later.

APPROVED—The 12th day of February, A. D. 1984.

DICK THORNBURGH