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PROP DAMAGE INS SPEC

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Capitol Connection Survey... Thanks to everyone who has completed the Capitol Connect... Page 2 of 2

Homeowners Cancellations... House Bill 1954 (McGeehan, D – Philadelphia) was passed by the House of Representatives earlier this month to codify an Insurance Department ruling to prohibit the nonrenewal of a homeowners policy on the basis that the surrounding properties are abandoned. Importantly, the legislation also would permit the nonrenewal or cancellation of a homeowners policy for two or more claims made within a three year period unless one of those claims is the result of a recognized catastrophe. This would result in a departure from current law which states that the only way to cancel a homeowners policy is because of fraud, nonpayment of premium or substantial change in the nature of the risk. We are in the process of reviewing what position we will take on this amendment. For a copy of the legislation, or for more information about Homeowners cancellations, please visit www.piapmd.com. To share comments with PIA via e-mail, please send comments to josephl@piapmd.com.

House Bill 1954

"Not Good ^{for} homeowners"

INSURANCE
AGENTS

PA &
MD

P ROFESSIONAL
I NSURANCE
A GENTS
P - PA
MD - MD

FROM :

House Bill 1954 History

HB 1954 By Representatives MCGEEHAN, COY, GEORGE, SOLOBAY, J. WILLIAMS, WASHINGTON, CALTAGIRONE, WALKO, PRESTON, HALUSKA, TRICH, BELPANTI, DALEY, COLAFELLA, MANDERINO, WILT, SHANER, MORN, KENNEY, TIGUE, PETRONE, HENNESSEY, BISHOP, PISTELLA, CORRIGAN, HARMAY, CURRY, JOSEPHS, HORSEY, YOUNGBLOOD, CIVERA, BROWNE, THOMAS, GEIST, MICHLOVIC and GRUCELA.

Prior Printer's No. 2543.

Printer's No. 3882.

An Act amending the act of July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance Practices Act, further providing for unfair acts.

Referred to URBAN AFFAIRS, Sept. 26, 2001
Reported as amended, May 8, 2002
First consideration, May 8, 2002
Laid on the table, May 8, 2002
Removed from table, June 29, 2002
Laid on the table, June 29, 2002
Removed from table, Sept. 25, 2002
Second consideration, Sept. 25, 2002
Re-referred to APPROPRIATIONS, Sept. 25, 2002
Re-reported as committed, Oct. 7, 2002
Third consideration and final passage, Oct. 7, 2002 (195-2)
In the Senate
Referred to BANKING AND INSURANCE, Oct. 16, 2002

back in Session 11-12
Drop 11-30

Current PK

PRIOR PRINTER'S NO. 2543

PRINTER'S NO. 3882

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1954 Session of 2001

INTRODUCED BY MCGEEHAN, COY, GEORGE, SOLOBAY, J. WILLIAMS, WASHINGTON, CALTAGIRONE, WALKO, PRESTON, HALUSKA, TRICH, BELFANTI, DALEY, COLAFELLA, MANDERINO, WILT, SHANER, MANN, KENNEY, TIGUE, PETRONE, HENNESSEY, BISHOP, PISTELLA, CORRIGAN, HARHAI, CURRY, JOSEPHS, HORSEY, YOUNGBLOOD, CIVERA, BROWNE, THOMAS, GEIST, MICHLOVIC AND GRUCELA, SEPTEMBER 26, 2001

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 8, 2002

AN ACT

1 Amending the act of July 22, 1974 (P.L. 589, No.205), entitled
2 "An act relating to unfair insurance practices; prohibiting
3 unfair methods of competition and unfair or deceptive acts
4 and practices; and prescribing remedies and penalties,"
5 further providing for unfair acts.

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

8 Section 1. Section 5 of the act of July 22, 1974 (P.L. 589,
9 No.205), known as the Unfair Insurance Practices Act, is amended
10 by adding a paragraph to read:

11 Section 5. Unfair Methods of Competition and Unfair or
12 Deceptive Acts or Practices Defined.--(a) "Unfair methods of
13 competition" and "unfair or deceptive acts or practices" in the
14 business of insurance means:

15 * * *

16 (15) Refusing to ~~issue or renew an insurance policy on real~~ <—

1 property OWNER-OCCUPIED PRIVATE RESIDENTIAL PROPERTIES on the <—
2 basis of surrounding properties being ~~unoccupied~~ UNOCCUPIED: <—
3 PROVIDED, HOWEVER, THAT NOTHING IN THIS SECTION SHALL PROHIBIT
4 THE NONRENEWAL OR CANCELLATION OF SUCH A POLICY ON THE BASIS OF
5 THE PAYMENT OF TWO OR MORE CLAIMS WITHIN THREE YEARS OF THE DATE
6 OF RENEWAL OR CANCELLATION, UNLESS ONE OF THOSE CLAIMS HAS
7 OCCURRED AS A RESULT OF A CATASTROPHE DESIGNATED BY THE PROPERTY
8 CLAIMS SERVICE OR ANOTHER DESIGNEE APPROVED BY THE DEPARTMENT.

9 * * *

10 Section 2. The addition of section 5(a)(15) of the act shall
11 apply to insurance policy applications for issuance or renewal
12 made on or after the effective date of this act.

13 Section 3. This act shall take effect in 60 days.

Prior PN

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No. 1954 Session of 2001

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14 business of insurance means:

15 * * *

16 (15) Refusing to issue or renew an insurance policy on real
17 property on the basis of surrounding properties being

1 unoccupied.

2 * * *

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