

**CHAPTER 67b. MANDATORY OFFER TO WRITE
NONSURCHARGED PRIVATE PASSENGER NONFLEET RISKS**

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Authority

The provisions of this Chapter 67b issued under the Vehicle Code, 75 Pa.C.S. § 1741; and sections 206, 506, 1501 and 1502 of The Administrative Code (71 P. S. § 66, 186, 411 and 412), unless otherwise noted.

Source

The provisions of this Chapter 67b adopted September 7, 2001, effective September 8, 2001, 31 Pa.B. 5079, unless otherwise noted.

§ 67b.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Assigned Risk Plan—As defined in section 7 of the Motor Vehicle Financial Responsibility Law, 75 Pa.C.S. § 1702 (relating to definitions).

Commissioner—The Insurance Commissioner of the Commonwealth.

Department—The Insurance Department of the Commonwealth.

Governing committee—The governing body that administers the Plan.

Nonfleet—Four or fewer motor vehicles of any type.

Plan—Assigned Risk Plan.

Producer—An agent or broker, certified or licensed, by the Department to conduct business and certified by the Plan.

Producer of record—The agent or broker, certified or licensed, by the Department to conduct business, certified by the Plan and whose signature appears on the application for insurance.

Risk—Refers to private passenger nonfleet vehicles.

Take-out—An offer from the assigned company to write voluntary market coverage for a private passenger nonfleet automobile risk insured by the Plan.

Take-out notice—A notice from the assigned company offering voluntary market coverage to a private passenger nonfleet automobile risk insured by the Plan.

§ 67b.2. Eligibility.

A private passenger nonfleet automobile risk is eligible for take-out if during the 3 successive years prior to the expiration of the policy, the named insured and any other person who usually operates the automobile meet the following requirements:

- (1) Have been licensed to operate an automobile for at least 2 years.
- (2) Have not been involved in accidents or convictions for which points are required to be assessed in accordance with the rules of the Plan.

§ 67b.3. Take-out notice.

(a) The assigned company shall mail a take-out notice to all eligible private passenger nonfleet automobile risks.

(b) The take-out notice must offer to write the same coverages afforded by the Plan policy the assigned company is offering to replace for 1 year.

(c) An insured accepting take-out from the assigned company is not required to select the kinds and amounts of coverage specified in the take-out notice, but may select other kinds and amounts. However, the kinds and amounts of coverage selected by the insured shall be sufficient to maintain financial responsibility under 75 Pa.C.S. § 1702 (relating to definitions).

(d) The take-out notice shall inform the insured that acceptance of take-out is not mandatory, and that the insured may shop for coverage in the voluntary market or remain in the Plan under § 67b.6 (relating to right of insured to reapply to Plan).

§ 67b.4. Notification.

The assigned company shall mail a take-out notice to each insured eligible for take-out and the producer of record at least 45 days, but no more than 60 days, prior to the expiration of the Plan policy to be replaced. The take-out notice shall contain a provisional premium quotation for the voluntary market coverage being offered. If the assigned company complies with this section and the insured accepts take-out, the Plan shall give credit to the assigned company, at the expiration date of the Plan policy, for writing a voluntary market policy for risk previously insured by the Plan.

§ 67b.5. Company obligations.

(a) If the insured does not accept take-out and obtains replacement coverage in the voluntary market from another company, the assigned company shall have no further obligation to the insured or the producer of record, except that the assigned company shall issue a notice of termination of the Plan policy which is required by the rules of the Plan.

(b) If the insured accepts take-out, the assigned company shall be required to issue voluntary market coverage for 1 year.

(c) Thereafter, the company issuing the policy shall be obligated to renew coverage from year to year, unless the company is permitted to nonrenew the coverage under the act of June 17, 1998 (P. L. 484, No. 68) (40 P. S. §§ 991.2001—991.2013).

§ 67b.6. Right of insured to reapply to Plan.

This chapter will not render the insured ineligible for coverage in the Plan. The insured may, at the insured's option, continue the insured's policy with the assigned company as a Plan risk or, if the 3-year assignment period has expired, the insured may reapply to the Plan for assignment to another company.

Cross References

This section cited in 31 Pa. Code § 67b.3 (relating to take-out notice).

§ 67b.7. Failure to comply.

If the governing committee finds that a company, without good cause, is not complying with this chapter, it shall notify the Commissioner.

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