



SENATE OF PENNSYLVANIA BILL SUMMARY

Senate Bill 861 Printer's No. 978

Prime Sponsor: White
Committee: Banking and Insurance

SYNOPSIS:

Amends Title 75 to add a new section on insurance coverage obligations of loaner vehicles.

SUMMARY:

Requires an insured's policy to be responsible for primary coverage of third-party financial liability obligations and first-party physical damage obligations, within the limits of the insureds policy, for a motor vehicle provided by a dealer while the insureds vehicle is being transported, serviced, repaired, or inspected.

Requires a dealer to provide primary coverage of third-party financial obligations and further provide primary coverage of first-party physical damage obligations in the amounts set forth in the customer's insurance policy while a dealer or agent thereof has custody of or is operating a customer's vehicle for the purpose of transporting, servicing, repairing or inspecting the vehicle.

This bill only applies to the loan of a motor vehicle by a dealer that occurs without financial remuneration in the form of a fee, rental or lease charge paid directly by the insured operating the motor vehicle.

Changes in coverage as a result of this bill shall not impact the validity of a waiver, selection, of benefits or amount of benefits in that policy, beyond the changes made as a result of this bill. Any rates revised forms or rates filed as a result of this bill shall be deemed approved by the department upon filing.

This bill applies to all policies issued or renewed on or after 180 days after the effective date of this act.

Effective Date: Immediately

BILL HISTORY:

Prepared by: Logue 5/31/2015