

# Deregulation of Commercial Lines Property and Casualty Forms

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The Insurance Commissioner (Commissioner) hereby deregulates certain commercial lines policy forms, as authorized by section 354 of The Insurance Company Law of 1921 (40 P.S. § 477b), as set forth in Annex A.

## *Statutory Authority*

Section 354 of The Insurance Company Law of 1921 (40 P.S. § 477b) requires that all policy forms for commercial property and casualty insurance, and other lines of business, be submitted to the Commissioner for prior approval before issuance to any consumer in the Commonwealth. However, that law gives the Commissioner express authority to exempt forms from the prior approval requirement. Accordingly, the Commissioner hereby exempts from filing or prior approval the forms for the lines of business listed in Annex A.

## *Insurers Subject to the Filing Requirement*

Section 354 applies only to insurance companies, associations and exchanges, which terms are defined at section 101 of The Insurance Company Law of 1921 (40 P.S. § 361). Section 354, and thus this deregulation, does not apply to fraternal benefit societies. Fraternal benefit societies must file and have their forms approved as required by 40 P.S. § 1142-404(f).

## *Forms Which are not Deregulated*

The Commissioner's action extends to the identified commercial lines of business offered by property and casualty insurers only. The Commissioner has not deregulated policy forms used in the personal lines market. Thus, private passenger auto, homeowners and personal excess policies are not deregulated hereunder.

Further, the Commissioner has not deregulated all types of commercial lines policies. Specifically, the Commissioner's action does not include the deregulation of the following lines of insurance: worker's compensation, medical malpractice, environmental impairment liability (EIL), forms affording claims-made coverage and forms issued to municipalities and other local government entities.

Such forms must continue to be submitted to the Commissioner for prior approval. Only those forms which are specifically listed in Annex A are deregulated hereunder.

Forms which include both regulated and deregulated lines of business must continue to be submitted for prior approval. Also, forms which have been previously disapproved by the Insurance Department may not be used absent the prior approval of the Commissioner.

*Continuing Authority of the Commissioner*

Notwithstanding the implementation of this notice, the Commissioner will retain complete authority to request and be provided a copy of any form being issued in this Commonwealth, as provided by section 905 of the Insurance Department Act of 1921 (40 P.S. § 323.3).

The Commissioner also will retain complete authority to reassume regulatory authority of the types of forms deregulated hereunder at her discretion.

Notwithstanding the deregulation of the forms specified herein, all such forms must continue to comply with applicable Pennsylvania law including, but not limited to: Act 86 (40 P.S. § 3401.01 et seq.) (cancellation and nonrenewal notices) and Act 205 (40 P.S. § 1171.1 et seq.) (prohibition against unfair discrimination and unfair trade practices).

*Effective Date*

This deregulation action is effective as of September 1, 1995.

*Questions*

Questions concerning this notice may be directed to Randy Rohrbaugh, Director, Property and Casualty Bureau, 1311 Strawberry Square, Harrisburg, PA 17120, (717) 787-4192.

LINDA S. KAISER,  
*Insurance Commissioner*

## Annex A

### Insurance Department Deregulation of Commercial Lines Property and Casualty Forms

The insurance Commissioner, by this notice, hereby deregulates the following lines of business under the authority of section 354 of The Insurance Company Law of 1921 (40 P.S. § 477b), effective September 1, 1995.

#### *Lines of Business Deregulated*

- Aircraft hull and aviation liability
- Excess of loss policy in an amount of at least \$10,000 from any one event issued to self insureds
- Manuscript policies and endorsement issued to not more than three insureds in Pennsylvania
- Inland marine
- Following form commercial excess and umbrella
- Commercial excess and umbrella policies if the underlying policy provides limits of at least \$1 million
- Expropriate coverage
- Kidnap and ransom
- Political risk
- Extortion risk
- Computer fraud
- Crop and hail
- Mortgage guaranty
- Fidelity and surety
- Flood insurance
- Boiler and machinery
- Financial guaranty products
- Output policies
- Highly protective risk policies

(Pa.B. Doc No 95-1461. Filed for public inspection September 1, 1995. 9:00a.m.)