

Bill Summary

COMMITTEE: Banking and Insurance

DATE: 6/1/10

PRIME SPONSOR: Ward

BILL NO: SB1181

PREPARED BY: Allison Dutrey

PRINTER'S NO: 1592

A. Synopsis:

SB1181 amends the Insurance Company Law of 1921 by providing for immunity from liability.

B. Summary:

SB1181 states in absence of fraud or bad faith, no one will be subject to civil liability or action for information relating to suspected fraudulent insurance acts in correspondence with law enforcement or others subject to the provisions of this bill. The bill also protects information furnished in reports to the Insurance Department, National Association of Insurance Commissioners, or other similar organization.

In the absence of actual malice, a person is not subject to civil liability for libel, slander, bad faith, or any other civil cause of action for any information furnished to or received from law enforcement officials, the Insurance Department, the Department of Health, the Department of Labor and Industry, the Insurance Fraud Prevention Authority, the Automobile Prevention Theft Prevention Authority, the National Insurance Crime Bureau, the National Association of Insurance Commissioners, or a recognized comprehensive database system related to suspected fraudulent insurance acts. This includes other actions taken in cooperation with any of these mentioned entities.

In addition to the immunity granted, persons identified as designated employees of insurers, self insurers, or insurer licensees whose responsibilities include investigating claims relating to suspected fraud may share information on such acts with other designated employees.

The qualified immunity must be forfeited with respect to the exchange or publication of any defamatory information with third parties.

The Insurance Department will not be subject to liability by virtue of the execution of official activities or duties by the Department.

This bill does not abrogate or modify common law or salutatory immunity enjoyed by any person prior to the effective date, or to prohibit a bad faith or any other civil action based upon actions other than those described in this bill.

This act repeals provisions of 75 Pa. C. S. § 1795(b) and (c), and Section 3(c) of the act of July 2, 1980, known as the Arson Reporting Immunity Act.

This Act will take effect in 60 days.