

## **LEG REG REVIEW 2008, Fifteenth Issue**

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### **PRIMARY RESULTS: PENNSYLVANIA HOUSE**

It is uncertain whether primary outcomes will change the overall party ratio in the fall election because there are simply too many variables (the presidential contest, state issues, hint of scandal, how the budget process goes, and so on.) Often, where an incumbent was defeated or there was an open seat, the fall outcome probably would not switch which party controlled the district. Highlights:

- Long-time incumbent Harold James (D-Phila.) was upset by Kenyatta Johnson in this strong Democrat district.
- Sheryl Delozier won a 9-way GOP primary to succeed retiring Jerry Nailor in south central PA. Among the losers was insurance agent Ian Hayes.
- Incumbent Mauree Gingrich (Lebanon County) bested anti-pay raise advocate Russ Diamond.
- Incumbent Democrats Tom Blackwell (Phila) and Lackawanna County's Frank Shimkus were unable to survive through write-in votes after being knocked off the ballot for petition signature problems. Both districts are Democrat.

### **PRIMARY RESULTS; PENNSYLVANIA SENATE**

- Rep. Sean Ramalley won the Democratic nod to replace retiring Senator Gerald LaValle.
- Lloyd Smucker won the GOP nod to succeed Lancaster/York Counties' Gib Armstrong.
- Rep. Daylin Leach won the Democratic nomination to succeed retiring Senator Connie Williams for this Montgomery County seat.
- Gene Yaw won the Republican nomination to replace retiring incumbent Roger Madigan.
- Richard Alloway won a four-way race in Franklin/Adams to succeed retiring Senator Terry Punt.
- Senator Vince Fumo ally Larry Furness bested Fumo foe in the nomination to succeed him.

### **PRIMARY RESULTS: CONGRESS**

2008 promises to be an interesting year for PA congressional races with several first-time Democrats attempting to hold on to seats won last election which helped result in national congressional control going to the Democrats. Expect national attention in:

- \* District 4: Former Rep. Melissa Hart is seeking to oust first-term incumbent Democrat Jason Altmire. She was credited with agent advocacy while on the House Financial Services Committee.
- \* District 7 has first-term Democrat incumbent Joe Sestak being opposed by Assistant Attorney Craig Williams.
- \* District 8's incumbent Democrat Patrick Murphy will face Marine Colonel Tom Manion (ret.)
- \* District 10: Winning the GOP nod is Chris Hackett, a businessman who owns an insurance agency. He will attempt to unseat first-timer Chris Carney in this northern/northeastern Republican district that was once held by Don Sherwood.
- \* Another interesting race will be District 11 where long-time Democratic incumbent Paul Kanjorski will face Hazleton Mayor Lou Barletta. Barletta received 94% of the vote for Mayor and received national media for his efforts to fight illegal immigration. Kanjorski serves on the House Financial Services Committee.

## **INSURANCE COMMITTEE PLANS PACKED MEETING**

On May 6, the House Insurance Committee will meet to discuss five bills. They are:

- HB 1177 (Fabrizio-D-Erie) mandates Blues' reimbursement for licensed clinical social workers, similar to SB 998 which passed the Senate before the primary recess
- HB 1485 (DeLuca-D-Allegheny) preserves confidentiality of insurance company information re financial condition
- HB 1858 (DeLuca) credit life insurance re crediting or refunding of consumer premium, supported by the PA Financial Services Association
- HB 1959 (Longietti-D-Mercer) mandates return of Medigap premium if proof is supplied that other insurance was purchased
- HB 2094 (Frankel-D-Allegheny) rate change notification to customers by health insurers

## **THE OCA HEARING**

Held April 14 in Pottsville, a House Insurance Committee hearing on a bill to create an Office of Consumer Advocate (OCA) for Insurance House Bill 1120 (Yudachak-D-Luzerne) outlined the case for passage since only one testifier, Pennsylvania Association of Health Underwriters, spoke against the proposal. (Another, Highmark, submitted a letter of opposition.)

The OCA would focus on health insurance and would be funded by insurance companies. It would have legal authority to bring legal action against an insurer or agent for either one complaint or class action. AARP said that OCA would provide what Pennsylvanians need, "advocacy, information, and protection." The AFL-CIO said that the Insurance Department did not have the resources to examine insurance companies' rating calculations and actual data but needed to do so to protect consumers. A local advocacy group said that OCA would help her use her staff resources better since OCA would help the uninsured find health insurance. Another person said that he suffered from hemophilia and that he looked to OCA to represent his needs to the insurance companies. A local pizza shop owner simply asked the committee members to see what his world is like with cost increases in everything and especially health insurance hurting his ability as a small businessperson to survive. **Chairman DeLuca said that HB 1121 was on the fast track and would see committee attention soon.**

## **SCORE CARD FOR FEDERAL DEBATE**

At the federal level, the Bush Administration offered a proposal to allow insurers a choice of state or federal regulation, somewhat similar to the dual bank regulatory system. American Insurance Association (AIA) representing mainly larger companies favors it. Property Casualty Insurers Association of America (PCI) representing smaller carriers prefers the state-run system. Individual companies are split with State Farm and Allstate for and Aflac against. Independent Insurance Agents & Brokers (Big I) does not support the Bush Administration proposal while Council of Insurance Agents & Brokers (CIAB) does.

**Some other actors are for:** American Council of Life Insurers (ACLI), American Bankers Insurance Association, National Association of Independent Life Brokerage Agencies (NAILBA), Reinsurance Association of America, USAA, and the Financial Services Forum.

**Others opposed** are: National Association of Mutual Insurance Companies (NAMIC), Jackson National Life, Association of Financial Guaranty Insurers, and Alfa Insurance.

## **COMMITTEE HEARING**

The House Commerce Committee will hold a hearing May 15 in Pittsburgh to discuss HB 2294 (D. Evans-D-Phila.). This would provide for licensure of persons providing debt management services.