

LEG REG REVIEW 2008, Eighteenth Issue

LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm based near the State Capitol. It contains news on the legislative and regulatory scene in Pennsylvania that may be useful to insurance producers, companies, and business interests. It is a free Member Service if you belong to the Pennsylvania Association of Health Underwriters or Manufacturers Association of South Central PA. Subscription information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/728-1164 or e-mail xenobun@aol.com. Please email jtrout2792@aol.com supplying both your e-mail and fax numbers in order to convert this publication to e-mail. If you wish to no longer receive it, please tell us.

RETURN FOR JUNE

The General Assembly will return to Harrisburg June 2 to focus work on the Budget. Earlier, the Senate had scheduled session days for May 19, 20, and 21 but changed its plans.

AGENT MARKETING BILLS INTRODUCED

Rep. Curt Schroder (R-Chester) introduced two bills designed to utilize insurance producers in the marketing of CHIP and adultBasic. They are House Bill 2123 (adultBasic) and House Bill 2124 (CHIP). Both bills specify that these public sector programs are classified as insurance programs and, as such, must be governed by insurance laws re 'sales, solicitation, and marketing' of insurance contracts. The Department would pay insurance producers a one-time commission for approved applications for adultBasic and CHIP.

LEGISLATIVE ACTIONS

Before this recess, although most attention in the General Assembly was directed at the Marriage Amendment (Senate), rejection of Governor Rendell's judicial nominees (Senate), leasing of the Turnpike, and table gambling (House), there were a number of legislative actions to note:

- Signed into law was Act 14 of 2008 to create a repository of unused cancer drugs that could help patients who are uninsured or low income. The legislation was sponsored by Sen. Rob Wonderling (R-Montgomery).
- The House Labor Relations Committee amended HB 2400 (Lentz-D-Delaware) to focus on construction workers. HB 2400 attempts to restrict the misuse of independent contractors but has been vigorously opposed by business groups who feel that it is so punitive that legitimate uses of independent contractors will be unfairly sanctioned.
- The House passed HB 1177 (Fabrizio-D-Erie) permitting the Blues to reimburse licensed clinical social workers.
- The House also passed a bill requiring notification to policyholders that they may be entitled to a refund of unused premium by credit life insurers if the loan is paid off early. (HB 1858 DeLuca-D-Allegheny)
- The Senate approved Senate Bill 1116 sponsored by Sen. Jake Corman (R-Centre) that would eliminate the need for Pennsylvania consumers to re-register on the "Do Not Call" registry every five years. In 2002, Pennsylvanians were first given the opportunity to avoid these calls by registering for the Do Not Call list. More than one million citizens registered in a single two-week period that year, and millions more have registered in recent years. The registry returns part of any fines collected to consumers who file complaints -- up to \$100. So far, more than \$80,000 has been distributed in that way.
- A conference committee was unable to resolve differences over a proposed ban on smoking in public places, part of the Governor Rendell's Rx for PA. Most recently, he vowed to veto any legislation that does not let Philadelphia keep its more rigorous ban.

DEPARTMENT ISSUES BLUES CLARIFICATION Following is a notice from the Insurance Department that seeks to clarify information about the Blues' consolidation hearings scheduled for July 8, 10, and 15.

“Due to confusion regarding instructions for signing up for the public hearings, the Press Release has been clarified with pertinent information as follows: Those interested in attending and offering comments are encouraged to pre-register by contacting Robert Brackbill, Chief, Company Licensing Division, 1345 Strawberry Square, Harrisburg, PA 17120, by fax at (717) 787-8557 or by e-mail at rbrackbill@state.pa.us Pre-registration should include: the identity of the speaker, date and location of the hearing the speaker will be attending. Advanced copies of remarks are encouraged. The department anticipates a 10-minute time slot per individual, but will take into account other factors. Preference in scheduling will be given to individuals who submit written comments in advance of the hearings and prior to July 2, 2008. If, due to a disability, you require the assistance of auxiliary aids or services to participate in or attend these hearings, please call the Director of the Bureau of Administration at (717) 787-4298. If you are hearing impaired, please call the Department's TTY/TDD telephone number (717) 783-3898.”

FLOOD LEVY

On May 15, the House Veterans Affairs and Emergency Preparedness Committee moved Governor Rendell's proposal to impose an assessment on property insurance policies in order to create a fund for flood control projects. HB 1989 (Wansacz-D-Lackawanna) was referred to Appropriations Committee, readying it for a full House vote. Considered to be a tax by the insurance industry, the levy would add 20 cents per \$100 of premium and would affect both homeowner and commercial properties. The National Association of Mutual insurance Companies (NAMIC) issued a May 19 Action Alert urging companies to actively oppose HB 1989.

Meanwhile, the Republican-controlled Senate is looking at a different way to fund flood control, with the Environmental Resources and Energy Committee's approval of SB 2 (Earll-R-Erie) that does not tax insurance premiums.

COMMITTEE WORK

- The Senate Banking & Insurance Committee plans to meet June 3 to hear testimony regarding SB 1137, the Rendell Administration's Access to Basic Care (formerly known as Cover All Pennsylvanians)
- On June 4, the Senate Banking & Insurance Committee will consider four bills:
 - SB 250 to regulate the amount of property insurance coverage required by lenders
 - SB 260 prohibiting the requirement that insureds use a mail-order pharmacy
 - SB 1276 (Browne) licensing credit counselors
 - SB 1370 providing for standards and management of an insurer within a holding company system
- On June 5, the House Insurance Committee will hold a hearing on HB 361, providing for the regulation of service contracts

LR CORRECTION

In the last Leg-Reg Review 2008-17 SB 146 (colorectal cancer screening) was misidentified.

PHILLIPS ASSOCIATES ANNOUNCES E&O BLITZ

PHILLIPS ASSOCIATES is teaming up with National Association of Mutual Insurance Companies professional liability insurance company NAMICO to offer a Continuing Education Caravan on E&O June 25, 26, and 27 in Ft. Washington, Kennett Square, Lancaster, Carlisle, Greensburg, and Moon Township. The course is good for three credit hours. Details: 717/732-7255