

## LEG REG REVIEW 2008, Twenty Fourth 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](mailto:xenobun@aol.com). Please email [jtrout2792@aol.com](mailto: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.*

### HEALTH INSURANCE HEALTH HEARINGS ABOUND

This is a busy time with regards to health insurance hearings.

- **The House Republican Policy Committee** held a forum on health care legislation August 11 in Rep. Mark Mustio's Allegheny County district.
- Also last week, the **House Insurance Committee** held two days of hearings in Montgomeryville in southeast PA August 11-12 on Access to Basic Care, the Governor's health reform proposal (SB 1137), and on reauthorizing the PA Health Care Cost Containment Council (PHC4).
- The **Senate Finance Committee** is holding hearings on two bills relating to tax incentives for Health Savings Accounts, SB 1182 and SB 1189, both sponsored by Senator Mike Folmer-R-Lebanon. The hearing will take place in Lebanon August 27.
- On August 25 and 26 in Erie, the **House Insurance Committee** holds hearings on Access to Basic Care and the consolidation between Independence Blue Cross and Highmark.
- On August 27 & 28, the **House Labor Relations Committee** will convene in Philadelphia to discuss HB 1386 creating "temporary family insurance" under unemployment compensation law for those taking family or parental leave. The insurance would pay whatever unemployment compensation would cover of their salary up to 12 weeks when on leave.
- September 3 the **House Insurance Committee** convenes a hearing in Harrisburg on reinstating certificates of need (HB 305-Mundy-D-Luzerne).
- September 4 the **House Insurance Committee** meets in Harrisburg to receive testimony on whether insurance producers will be marketing CHIP and adultBasic (HB 2123 and HB 2124 – Schroder-R-Chester).

### HOUSE DEMOCRATS BEGIN HEALTH INSURANCE HEARINGS

The House Democratic Policy Committee is holding a hearing on the Access to Basic Care (ABC) proposal from Governor Rendell (SB 1137) in Dubois August 19. Speaking in support of ABC are Insurance Commissioner Joel Ario and AFL-CIO president Bill George. The other witness represents Elk Regional Health System. This is the first of several although the complete schedule of these is not completely known.

### DEPARTMENT PROPOSES MILITARY INSURANCE LIFE SALES REG

Following the 2006 NAIC Model Regulation, the PA Insurance Department formally proposed that "certain dishonest and predatory insurance sales practices (of life and annuity products) directed towards active duty service members constitute unfair methods of competition and unfair/deceptive practices." Comments may be addressed to Peter Salvatore at the Insurance Department ([psalvatore@state.pa.us](mailto:psalvatore@state.pa.us)) or faxed to 717/705-3873 by the end of August. The complete proposal is available from the PA Bulletin ([www.pabulletin.com](http://www.pabulletin.com) Vol. 38, Number 31 issue).

Some of these practices involve masquerading an insurance solicitation as being sanctioned by the armed forces; prohibiting door to door solicitation unless a prior appointment was obtained; offering an inducement; advising a service member with a lower pay grade to change income tax withholding or state of legal residence for the sole purpose of increasing disposable income to purchase life insurance; encouraging replacement or cancellation of an existing policy when the service person is still in the military, etc.

#### **REGULATORY NOTES**

- **SURPLUS LINES CARRIERS LISTED** The PA Bulletin also reports that the PA Insurance Department issued its latest list of Eligible Surplus Lines Insurers. This replaces the list issued January 3, 2008 and contains company names and addresses.
- On August 21, the Independent Regulatory Review Commission (IRRC) will hold a public meeting on Insurance Department proposed regulation 11-234 regarding preparation and approval for fire and casualty filings.
- Patient Safety Authority (MCARE) meets September 9 in Harrisburg. The DEP Coal and Clay Mine Subsidence Insurance Board is convening a special meeting September 4.

#### **HEALTH SAYS IT WILL ISSUE SMOKING BAN GUIDANCE**

Rep. Ron Miller (R-York) forwarded guidance issued by the PA Department of Health regarding the new PA smoking ban in public places, Act 27 of 2008 which takes effect September 11. The Department of Health says that it will be sending compliance kits to businesses along with forms where some types of businesses may request exemptions. Details: [www.health.state.pa.us](http://www.health.state.pa.us).

#### **POLITICAL NOTES**

- Incumbent Rep. Sean Ramalley (D-Beaver) withdrew as a candidate for the open seat of retiring Senator Gerald LaValle. In a development sure to continue headlines for awhile, the Democratic organizations for Beaver and Lawrence Counties have each endorsed separate individuals (Jason Petrella and Joe Spanik respectively) to take Ramalley's place on the Democratic ballot.
- Incumbent Republican Senator Bob Regola (Westmoreland) has withdrawn from his re-election bid.
- ERROR regarding resigning Rep. Bev Makereth (R-York). NOTE: Leg-Reg Review repeated incorrect information when it reported that Rep. Makereth's departure was imminent. Actually, she will complete her term through November 30 and begin her new job directing York County's Human Resources unit December 1.
- Former Representative Linda Bebko-Jones (D-Erie) reached a plea accord for falsifying signatures on voter petitions and was fined for the violation. Another former Representative Jeff Habay (R-Allegheny) went to jail because of forcing state House employees to perform campaign work on state paid time.
- Election dates to note:
  - October 6 is the last day to register for the 2008 General Election.
  - October 28 is the last day to apply for an absentee ballot. These must be received by a county's Election Bureau by October 31.
  - General Election is Tuesday November 4.

**PREPARE FOR CE BLITZ.** In late August there are a number of Continuing Education offerings coming up. August 25 (Lancaster) August 27 (Towanda) and August 28 (Pittston), PHILLIPS ASSOCIATES offers eight hours of Long-Term Care Insurance/Partnerships; Flood Insurance; E&O Assessment. In September, plan on meeting the Department –mandated one-hour training to sell Long-Term Care Partnerships September 17 (Altoona), 18 (Cranberry Township Pgh area), 19 Erie, 22 Fogelsville. Details: 717/732-7255.