

LEG REG REVIEW

2008, Thirty-Forth 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.

NOTICE TO LEG-REG REVIEW READERS

In January 2009, Leg-Reg Review will no longer be faxed unless you do not have e-mail capability. Please send Joan Troutman your email address (jtrout2792@aol.com) and include your name and fax number for proper tracking.

SENATE APPOINTS COMMITTEE CHAIRS

Both Republicans and Democrats have announced their committee leadership teams for 2009-10. Following is a list of selected committee chairs with majority chair Republicans listed first. New chairs are indicated with an *.

Major committee changes involve new chairs for both Democrats and Republicans in Appropriations; New Senator Leach (D-Mont.) was given a committee replacing veteran lawmaker John Wozniak (Cambria) who now does not chair a committee; both chairs of Education Committee are new.

Aging & Youth

Pat Vance (Cumberland); LeAnna Washington (Phila.)

Agriculture & Rural Affairs

Mike Brubaker (Lancaster); Michael O'Pake (Berks)

Appropriations

Jake Corman (Centre); Jay Costa (Allegheny)**

Banks & Insurance

Don White (Indiana); Mike Stack (Phila.)

Consumer Protection & Professional Licensure

Tommy Tomlinson (Bucks); Lisa Boscola (Lehigh)

Education

*Jeff Piccola (Dauphin) *; Andre Dinniman (Delaware)**

Environmental Resources & Energy

Mary Jo White (Venango); Raphael Musto (Luzerne)

Finance

*Pat Browne (Lehigh); Jim Ferlo (Allegheny)**

Judiciary

*Stewart Greenleaf (Montgomery); Daylin Leach (Montgomery) **

Labor & Industry

John Gordner (Columbia); Christine Tartaglione (Phila.)

Law & Justice

John Rafferty (Montgomery); Sean Logan (Westmoreland)

Public Health & Welfare

Ted Erickson (Chester); Vincent Hughes (Phila.)

Transportation

Rob Wonderling (Lehigh/Mont.); Barry Stout (Washington)*

WORKERS' COMP FILING SEES LITTLE CHANGE

The PA Compensation Rating Bureau (PCRB) has proposed almost no change in their annual loss-cost filing which is regarded as where Workers' Compensation rates are headed. Filed December 11, the .070 increase overall filing must still be reviewed by the Insurance Department. If approved, it would take effect April 1, 2009. If you want specifics by job classification, please refer to Circular 1556 at www.pcrb.com.

SCHOOL DISTRICT BENEFITS CONSOLIDATION SEES MEDIA LIFE

The issue of consolidating school district health benefit programs (except for Philadelphia) into one state-run program gained new traction with a December Associated Press story describing its benefits followed by the Capitol newspaper Patriot-News editorializing for the idea. The PA Association of Health Underwriters vowed continued opposition and seeks individuals with expertise in school district benefit programs to contact the Association 717/346-1063.

REGULATORY UPDATE

- Deputy Insurance Commissioner George Hoover has retired as overseer of CHIP and the adultBasic program. He gained notoriety with insurance agents by asserting that Act 147 (requiring use of a licensed insurance producer when selling soliciting or negotiating insurance) does not apply to CHIP since Children's Health Insurance Program (he said) is not an insurance program despite its name. His description called CHIP a "prepaid government health program". Replacing him is Peter Adams who now runs MCARE.
- Tuscarora-Wayne Mutual Insurance Company and Washington Mutual Fire and Storm Insurance Company are seeking to become stock companies.

BUDGET WOES

On December 9, Governor Rendell presented his mid-year budget report to the Commonwealth showing some stark and politically painful news of the deficit for this fiscal year of \$1.6 billion or more. To staunch the bleeding, he has initiated another round of cuts. Including previously announced cuts and wage freezes (12/3), he said that these actions have or will take place:

- \$464 million budget cuts including wage freezes at \$14.3 million
- \$36 million from the General Assembly and independent agencies TBA
- \$375 million comprising one-half of the Rainy Day Fund
- \$174 million from Marcellus Shale natural gas drilling leases
- \$450 million presumably coming from the Federal Government
- \$101 million from unused funds left over in state accounts from past budgets

POLITICAL NOTES

- Two state legislators are gearing up for active duty. Rep. Scott Perry (R-York) and Representative-elect Nick Miccarelli (R-Delaware) have been called to service. They will still take the oath of office January 6.
- A special election to fill the term of late Senator Jim Rhoades (R-Schuylkill) has been called for March 3, 2009.

GENERAL NOTES

- The 2009 IRS mileage rate for business is 55 cents per mile, down from 58.5 cents.
- Reading I Day is set for April 15. Contact Sandi Boone 610/376-7342
- Pittsburgh I Day is April 23. Details: Insurance Club of Pittsburgh 412/489-5626
- The PA Open Records law fully takes effect January 1, 2009.