

## **LEG REG REVIEW 2009 - Second 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.*

### **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](mailto:jtrout2792@aol.com)) and include your name and fax number for proper tracking.**

### **NEW SESSION OF GENERAL ASSEMBLY BEGINS**

On January 6, Senators and Representatives took the oaths of office to begin the work of the 2009-2010 legislative session. As expected, the Senate chose Joe Scarnati to serve as President Pro Tempore. More drama occurred in the House which chose Keith McCall as Speaker over Republican Sam Smith by a partisan vote of 104-99. Although the outcome was expected (McCall's name had already been painted on the Speaker's door before the actual vote), the wild card candidacy of Republican Daryl Metcalfe (Butler) was defused. Metcalfe gave a speech stressing the virtues of fiscal conservatism and then nominated Sam Smith.

One speech to note was from new Majority Leader Todd Eachus (D-Luzerne) who promised action on health reform this legislative session.

### **DECEMBER'S BUDGET FIGURES CONTINUE SLIDE**

The latest shortfall figures in revenue receipts to the Commonwealth fiscal year to date (YTD) are \$814.5 million. Key budget areas are:

- Sales Tax: \$66.7 million below estimate
- Personal Income Tax: \$58.1 million below estimate
- Non-tax revenues: \$13.4 million below estimate
- Corporate Tax was the exception exceeding budget calculations by \$14.9 million but still \$134.5 million below expectations for this point of the fiscal year

House Appropriations Committee Chair Dwight Evans (D-Phila.) predicted that the fiscal picture will continue to deteriorate. The Commonwealth Foundation had its own take on the shortfalls, blaming excessive state spending for the deficit. The Commonwealth Foundation compared other years where expected revenues were less than anticipated at this point and said that this YTD \$814.5 million deficit (December 2008) was the biggest shortfall (versus \$135.8 million shortfall YTD in December 1990; \$282.1 million YTD in December 2001, and \$184.1 million YTD in December 2002).

### **HEALTH REFORM OFFICE HAS NEW HEAD**

Governor Rendell's Office of Health Care Reform has a new Director. Previously Deputy Director, Ann Torregrossa has a 38-year legal career based in part on health care advocacy in the Philadelphia area. She succeeds Rosemarie Greco, the first to hold that position, who resigned in December.

**NOTE:** A session date was incorrectly listed in Leg-Reg Review. The correct date is March 9.

## **HOUSE APPROPRIATIONS PLANS BUDGET MEETINGS**

In trying to familiarize the public on the budget process and on how the deficit can be confronted, the House Appropriations Committee plans several meetings this coming week. Although open to the public, the preference by organizers was through legislative invitation. Events will take place in Allegheny County, Cambria County, Williamsport, Scranton and Berwyn. Details: 717/783-1540

## **INSURANCE DEPARTMENT PLANS OUTREACH PROGRAMS**

The Insurance Department's Office of Consumer Liaison plans a series of consumer meetings in Schuylkill County on two topics. Financial Privacy will be discussed January 13 at the Pottsville Senior Center. How Credit Relates to Insurance is the subject of five February meetings from February 3-17. In addition to the public program, taking place on February 19 is a closed Department of Health employees' briefing on Protecting Your Identity.

## **SENATE LEADERSHIP TEAM COMPLETED**

The two remaining positions in Senate majority (Republican) leadership were announced in December. They are Senator Pat Browne (Lehigh) to serve as Senate Majority Caucus Administrator and Senator John Pippy (Allegheny) as Chair of the Senate Majority Policy Committee. Browne replaces Terry Punt (Franklin) who retired while Pippy takes over from Jake Corman (Centre) who was selected by the GOP Caucus to serve as Majority Appropriations Chair.

## **REGULATORY UPDATE**

This time of year means a slowdown in regulatory developments but there are a few:

- The new Office of Open Records created to implement the law which took effect January 1, 2009, posted information regarding a uniform request form it developed for those seeking state records. Details: <http://openrecords.state.pa.us>
- Essent Guaranty, Inc. has applied for a Certificate of Authority to operate as a domestic stock casualty company in Pennsylvania.
- America's Health Insurance Plans (AHIP) has posted a summary of the states' various training requirements for those wishing to sell long-term care insurance or Long-Term Care Partnerships. Details: [www.ahiphewire.org/LongTermCare/LearningCenter](http://www.ahiphewire.org/LongTermCare/LearningCenter)

## **HOUSE DEMOCRATS APPOINT CHAIRS**

Several of the committee chairs appointed by House Democrats are: (\* denotes new chairperson.)

<b>Aging &amp; Older Adult Services</b>	<b>Phyllis Mundy (Luzerne)</b>
<b>Agriculture &amp; Rural Affairs</b>	<b>Mike Hanna (Clinton)</b>
<b>Consumer Affairs</b>	<b>Joseph Preston, Jr. (Allegheny)</b>
<b>Commerce</b>	<b>Peter Daley (Fayette)</b>
<b>Education</b>	<b>Joseph Roebuck (Phila.)</b>
<b>Finance</b>	<b>David Levdansky (Allegheny)</b>
<b>Health &amp; Human Services</b>	<b>Frank Oliver (Phila.)</b>
<b>Judiciary</b>	<b>Tom Caltagirone (Berks)</b>
<b>Insurance</b>	<b>Tony DeLuca (Allegheny)</b>
<b>Labor Relations</b>	<b>Bob Belfanti (Northumberland)</b>
<b>Transportation</b>	<b>Joe Markosek (Westmoreland)</b>
<b>Previously selected was Appropriations Committee chair Dwight Evans (Phila.)</b>	

## **AWARDS & RECOGNITIONS (thanks to Insurance & Financial Advisor reports)**

- York's Glatfelter Insurance Group was recognized as one of PA's Best Places to Work.
- Keystone Insurers Group selected Lewisburg agency Meixell-Diehl Insurance to receive a KIG Exemplary Award.