

LEG REG REVIEW

2009, Sixth Issue February 22

LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm located near the State Capitol. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. It is a free member benefit for those who are members of the Pennsylvania Association of Health Underwriters (PAHU) or Manufacturers Association of South Central PA (MASCOPA). Subscription information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/728-1164 or e-mail to xenobun@aol.com. Please email jtrout2792@aol.com supplying both your name and e-mail address if you wish to be removed from this list.

BUDGET HEARINGS SET

House and Senate Appropriations Committees have begun their hearings on the Governor's proposed FY 2009-2010 Budget. Changes to note are that the Senate has not scheduled a hearing for the Insurance Department and the House does not list hearings for DCED or L&I. The House Appropriations Committee which traditionally scheduled a hearing on the Governor's Office of Health Care Reform has not done so this year.

Agency	House	Senate
Aging	2/23	3/4
Agriculture	2/24	2/25
Budget/Revenue		2/23
DCED		3/5
DCNR	2/24	3/4
DEP	2/24	2/25
DPW	3/3	3/2
Education	3/2	3/3
Governor's Office	3/3	2/26
Insurance	2/23	
Labor & Industry		2/23
PennDOT	2/19	3/4

DEPARTMENT ISSUES CERTIFICATE WARNING

The Insurance Department has issued a Notice to insurance companies and licensed insurance producers warning of the misuse of Certificates of Insurance. This document reminds the industry that Certificates may not be altered. Some in the insurance agent community have complained that they are sometimes under pressure from clients to alter text on a Certificate so as to position them in a better bidding position for contracts. This Notice helps the agent explain why that altering is not permissible.

LEGISLATIVE NOTES

- The House Insurance Committee has moved two health insurance bills sponsored by Chairman Tony DeLuca (D-Allegheny). They are House Bill 84 governing insurer non-payment of claims resulting from foreseeable adverse health events and House Bill 85 which mandates insurer coverage for clinical cancer trials.
- Not to be overlooked in all of the health insurance bills being introduced are two property/casualty bills. First is House Bill 323 sponsored by Rep. Ron Miller (R-York) to establish a Flood Insurance Premium subsidy program run by the Insurance Department contingent upon appropriations.
- The second is Senate Bill 95, credit scoring legislation from Senator Anthony Williams (D-Phila.) that would restrict insurers' ability to use credit information as a basis for denying, canceling or non-renewing personal lines policies.

2009 REGULATORY AGENDAS ANNOUNCED

- According to the PA Bulletin, the Insurance Department has seven regulations on tap for 2009. (Details: Peter Salvatore 717/787-4429) These include:
 - *Continuing Education (39.1-39.12)*
 - *Use of Senior-Specific Certifications and Professional Designations in the Sale of Life/Annuities Products (31 PA Code, New Chapter)*
 - *Medigap Insurance Regulation (Chapter 89, 89.772-89.791)*
 - *Autism Review Process (31 PA Code, Chapter 168)*
 - *Military Life Insurance Sales Regulation (Regulation 11-241)*
 - *Property/Casualty Actuarial Opinion (31 PA Code, 118a.-118a.7)*
 - *Annual Audited Insurers' Financial Report Regulation (31 PA Code, Chapter 147)*
- The Banking Department plans to offer two regulations in 2009 to implement legislative changes in mortgage loans and required Continuing Education for mortgage brokers (Details: Robert Lopez 717/787-9573)
- The Department of Public Welfare plans a regulation dealing with Long-Term Care Insurance Partnerships authorized by Act 40. It updates the Medical Assistance Estate Recovery Changes Regulation (55 PA Code, Chapter 258)...Details: Ruth O'Brien 717/783-2800
- Several Workers' Compensation rules are being proposed by the department of Labor & Industry including:
 - *WC Medical Cost Containment (Title 34, Chapter 127) ...Details: John Kupchinsky 717/783-5421*
 - *WC Self Insurance (Title 34, Chapter 125A) ...Details: George Knehr 717/783-4476*
 - *WC Judicial Procedures (Title 34, Title 111) ... Details: Elizabeth Crum 717/787-5082*

PERSONNEL...

- New House Democratic Caucus Chief Counsel is Nora Winkelman, previously the Governor's Deputy General Counsel.
- Larry Clark, formerly with the Office of Health Care Reform, is now assisting the Department of Public Welfare.
- Insurance Department changes include new Legislative Liaison Mary Jo Mullen replacing Doug Furness who is now in the Governor's Office. New Acting Chief Counsel is Amy Daubert. She replaced Art McNulty who now serves as House Insurance Committee Executive Director.
- House Republican Appropriations Committee Chairman Mario Civera is reportedly running for a seat on the Delaware County Council.

SURPLUS EXPORT INPUT SOUGHT

The Insurance Department again seeks input from the Excess & Surplus Lines industry as to specific types of coverage that the Department should put on its Export List. Coverages on the list are deemed hard to come by enough to waive the three declination rule necessary to put business into the Surplus Lines. Comments to Cressinda Bybee, PA Insurance Department, 1326 Strawberry Square, Harrisburg, PA 17120 717/787-8557 cbybee@state.pa.us should be received by March 13.