

LEG REG REVIEW
2006, Tenth Issue, SPECIAL UPDATE

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 of use to insurance producers, companies, and business parties. It is a free Member Service if you belong to the Pennsylvania Association of Health Underwriters or the PA Surplus Lines Association. 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 let us know.

SINCE LEG REG REVIEW 2006, Tenth Issue was sent a number of key developments need to be reported.

GOVERNOR VETOES TORT REFORM

Governor Ed Rendell vetoed Senate Bill 435 (Corman-R-Centre) on Friday March 24. This bill would have reinstated a legislative repeal of Joint and Several Liability that was struck down by the courts. It was a major priority of the business and insurance communities and represents a major setback for them even as it represents a triumph for labor and trial lawyer groups. The legislation would (except for liquor liability and environmental liability) allow for 'comparative negligence' where liability would be proportional to the event spurring the lawsuit.

Unless overridden, what does this mean? It means that the current doctrine prevails where a plaintiff can sue everyone he or she thinks could have something to do with the alleged pain and suffering. It also guarantees tort reform to be a political issue in that Governor Rendell just vetoed another piece of tort reform legislation dealing with liability for contractors re residential construction. According to news reports, Republican candidate Lynn Swann has already chided the Governor for switching positions on the joint and several liability issue. Likewise, roll call votes on a veto override will figure into the various legislative races in the days ahead.

INSURANCE COMMITTEE MEETINGS FOR LEGISLATORS ONLY

In a memo received March 25 from House Insurance Chairman Nicholas Micozzie (R-Delaware) the two informational meetings cited in Leg Reg Review, 2006 Tenth Issue are for members only and are not open to the public. The Chairman apologized in the memo for any confusion his earlier notice may have caused. Those meetings are on Insurance Privacy Compliance (the Third Privacy Rule) and on a Highmark-PA Medical Society initiative to assist doctors in filing prescriptions electronically instead of by the traditional paper mode.

CELL PHONE TAX REPEAL MOVES THROUGH COMMITTEE

This past week, the Senate Finance Committee moved SB 691 to repeal the five-percent gross receipts tax on cell phone bills. (This is paid in addition to the 6% sales tax on the phone calls themselves.) The bill would phase out the tax over a five-year period.