

LEG REG REVIEW 2007, Twenty-Third 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.

RENDELL'S INSURANCE COMMISSIONER BEGINS WORK

One of PA Acting Insurance Commissioner Joel Ario's first tasks was issuing a press release July 6 warning that 85% of the Insurance Department's work force would be furloughed because of the budget impasse. The release quoted him as saying that consumer contacts to the Department would be triaged according to need. Ario, former Insurance Administrator in Oregon's Department of Consumer and Business Services, saw during his tenure, Oregon passing legislation affecting use of credit information and established mental health parity rules. In the press release from the Governor's Office, Ario is characterized as "a highly qualified and seasoned administrator with a strong and proven record of fighting to protect the rights and needs of consumers." Ario himself noted that he had been a consumer advocate (Board member of the Consumer Federation of America and executive director of Oregon State Public Interest Group, a consumer advocacy group).

Mr. Ario holds Divinity degrees from Harvard and from St. Olaf's in Minnesota as well as a Harvard law degree. He also chairs the NAIC Health Insurance Committee and has served as secretary of that organization. His nomination must be approved by the PA Senate. He succeeds Randy Rohrbaugh who was named Acting Commissioner by the Governor after M. Diane Koken resigned.

ALSO NOMINATED by GOV. RENDELL...

The new Banking-Secretary designate is Stephen Kaplan of Philadelphia, an executive with Mellon Financial Corporation's Mid-Atlantic region and chairman of the Mid-Atlantic Charitable Trusts. He has worked at Mellon Financial since 1982 and will, if confirmed by the Senate, succeed acting secretary Victoria Reider, who was named to that position to replace A. William Schenck, who resigned.

LEGISLATIVE UPDATE...

- **BUDGET:** Same old, same old with frayed tempers and political acrimony. In the crosshairs are the state employees and a ripple effect into the general community. The core issue is whether a budget will be passed without the other issues that the Governor also wants to see enacted as part of a larger deal possibly including energy taxes, transit funding, Jonas Salk \$500 million bond issue, some health items etc. Among those affected are 'non-essential' personnel who staff the state parks and the Revenue people responsible for the casinos. A sign of the times is the subpoena by Senators to call Cabinet officials on the carpet re closing the casinos. Perhaps by the time you read this, it will be old news, the Budget will be passed, and everyone will be friends again. Or, then again, maybe there will be a worsening of the political climate as Governor Rendell tries to push the rest of his agenda later this year.
- On the House calendar is House Resolution 353 to require that a **feasibility study be done by the Legislative Budget and Finance Committee on whether health benefits for transit workers should be moved under the state benefits program.**

- **Smoking** is in the midst of this legislative milieu with fewer signs of compromise. According to Capitol Wire, the name-calling went so far as attacking the author of an amendment granting exemptions as, in effect a pawn of Big Tobacco. The bills at issue are SB 246 (Greenleaf-R-Montgomery) which was amended in the Senate before coming over to the House. A tougher bill, HB 1541 (Gerber-D-Montgomery) is at the heart of controversy. It remains on the House calendar.
- The House Insurance Committee moved bills: HB 1150 (O'Brien-R-Phila.), **mandating autism benefits**; SB 548 (Corman-R-Centre) on **Long-Term Care Partnerships...**a measure likely to be amended on the House floor to bring it in line with HB 966 (Taylor-D-Montgomery).
- The House voted to **require the state employees' and retired teachers' funds to divest themselves from companies investing in the Sudan.** An amendment by Rep. Steve Nickol (R-York) was grafted on to the bill to protect the funds from any financial losses that could come from divestiture.
- House Health & Human Services Committee moved SB 968 (Erickson-R-Chester) regarding efforts to control health care infections.
- The House passed House Resolution 362 dealing with manufactured car parts. The vote was 161-36.
- Text of any of these bills is available at www.legis.state.pa.us. When typing in the bill number, do not use spacing. Also, make sure you use the highest Printer's Number since many of these bills have been amended.

CROP INSURANCE NEWS

Insurance producers who sell Crop Insurance should note the July 16 acreage reports due date for 2007 spring crops. July 31 is the date for fall forage seeding enrollment. PA Agriculture Secretary Dennis Wolff also sent out a press release July 5 reminding farmers of the proper procedures for reporting claims: Reporting crop damage must take place at least 15 days before harvesting begins; or within 72 hours of discovery; or within 15 days of harvest completion for the insurance unit; or within 15 days of the calendar date for the rest of the insurance. Details: 717/787-6041.

A Crop Insurance DVD has been distributed to numbers of insurance agencies as part of an outreach effort of the PA Department of Agriculture and USDA's Risk Management Agency. There is no cost for the DVD but those wishing to receive one CE credit may contact PHILLIPS ASSOCIATES 717/346-1063 on how to obtain the credit or to request the DVD. The focus of the video is on P/C insurance producers who have farmer clients even if they themselves do not sell Crop Insurance.

Ag Progress Days will again offer a Crop Insurance Update with one CE credit hour. Mark August 15 on your calendar.

COMING UP THIS WEEK...

The Senate Banking & Insurance Committee will discuss the Medical Malpractice insurance market in Pennsylvania and the status of MCARE's Abatement program, an effort to keep doctors in PA by assisting with all or part of the MCARE assessment.

TO NOTE

The minimum wage in PA as of July 1 is \$7.15 for firms with ten or more employees and \$6.65 an hour for employers having fewer than ten.