

## LEG REG REVIEW 2007, Twenty-Fifth 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.*

**Welcome to the Dog Days of August. The General Assembly has gone home for the summer after having passed the \$27.162 billion Budget for the Commonwealth. Don't be fooled into thinking that nothing is going on. The emphasis is now on the regulatory side.**

### REGULATORY AGENDAS SUBMITTED

Per a state requirement, agencies are required to annually list proposed regulations and those that are in the pipeline but which have not been released. This requirement gives a picture of what may be in store for various industries.

#### **Insurance Department has eight proposed regulations. All fall under Title 31.**

- Chapter 37 Changes in Producer Licensing *Fall/Winter 2007*
- Chapter 67 Motor Vehicle Financial Responsibility *Fall/Winter 2007*
- Chapter 87a Life Insurance Illustrations *Summer/Fall 2007*
- Repeal Chapter 133 Prep for P/C Form Filing
- Chapter 139 Unfair Claims Settlement Act *Fall/Winter 2007*
- Chapter 242 MCARE *Fall/Winter 2007*
- Chapter 248 Health Care Provider Retention *Fall/Winter 2007*
- NEW: Viatical Regulation is waiting for NAIC to finalize its model regulation before the Department submits the proposed regulation for public comment and review.

**The Department of Labor & Industry has seven Workers' Compensation regulations in the works. (Title 34) One, setting forth procedures for qualification of vocational experts under Act 88, has already been printed in the PA Bulletin. Others include: Updating forms; Medical Cost Containment; Individuals who are self insured; Obtaining benefits under the Uninsured Employer Guaranty fund; Procedures before WC judges; and the Workers' Compensation Appeals board.**

### INSURANCE COMPANY UPDATES

- Allegany Co-Op Insurance Company has filed an application to acquire Conemaugh Valley Mutual Insurance Company.
- HM Casualty Insurance Company has applied for a certificate of Authority to operate as a stock casualty insurance company in PA.
- Welsh, Carson, Anderson & Stowe is seeking to acquire Pennsylvania Life Insurance Company, a PA domiciled stock life insurance company.

### DEPARTMENT EXTENDS BLUES COMMENT PERIOD

A July deadline for submitting comments on the proposed merger between Independence Blue Cross and Highmark, Inc. has been extended indefinitely. When a deadline is decided, the Department will post a cut-off notice in the PA Bulletin.

## **SURPLUS LINES LIST UPDATED**

Twice each year, the Insurance Department publishes an updated list of eligible Surplus Lines Insurers. This replaces the list that was issued January 19, 2007. For the list, go to [www.pabulletin.com](http://www.pabulletin.com) July 7, 2007 issue. Another resource is the PA Surplus Lines Association at [www.pasla.org](http://www.pasla.org).

## **OTHER REGULATORY UPDATES**

- The Insurance Department has opted not to increase the amount of primary private sector Medical Malpractice insurance health providers must purchase. For now, a health provider will continue to purchase \$500,000 worth of coverage from the private sector and another \$500,000 from MCARE. The original move would have increased primary coverage to \$750,000. The Department said that the market, although improved, does not yet have capacity for such an action.
- Auto insurance companies are required to answer the Insurance Department's Data Call by November 16, 2007 according to a Notice issued July 28. Information on filing requirements are found at the Department's web site [www.ins.state.pa.us](http://www.ins.state.pa.us). Inquiries may be directed to Bojan Zoric 717/787-6968.

## **MANDATED BENEFIT REFERED TO PHC4**

House Insurance Committee Chairman Tony DeLuca (D-Allegheny) has referred House Bill 317 mandating insurance company reimbursements for prosthetics to the PA Health Care Cost Containment Council (PHC4). The bill's impact on the insurance industry will be analyzed as will the extent to which these services are already covered by insurance companies. Those seeking to submit comments should prepare six copies for Florence Wolf, PHC4, 225 Market Street, #400, Harrisburg, PA 17120 by September 14, 2007.

## **HOUSE COMMITTEE REVIEWS Rx for PA**

The House Professional Licensure Committee is convening additional hearings on the part of Governor Rendell's Rx for PA that deals with expanding authority of non-doctors; a move that he says will reduce use of doctors for routine services, thereby reducing health care costs. Upcoming August 3 and 6 are hearings on House Bill 1250 re pharmacy assistants. This bill had been previously considered by the committee and amended but not reported. These hearings follow one July 30 on HB 1199 on physical therapy assistants. These hearings come after Governor Rendell's July 20 signing into law of similar bills expanding authority of certified midwives, registered nurse practitioners, physician assistants and dental hygienists.

## **AUGUST IS BUSY CE MONTH**

PHILLIPS ASSOCIATES is offering a number of Continuing Education opportunities in August. Please contact Joan Troutman 717/732-7255 for details.

\* **August 15** *Crop Insurance Update (one credit) Ag Progress Days*  
*If you would like to take a course self-study, a DVD on Crop Insurance is available funded by the PA Department of Agriculture and USDA.*

\* **August 24 (Lancaster)** *Contractors Insurance (four credits) and Legal Traumas (four credits)*

\* **August 29 (Warren), August 30 (Towanda), and August 31 (Honesdale)** *are the annual Northern Tier Tour dates. This year there are two courses, a four-hour Health Insurance Public Policy Issues course and Commercial Insurance Flashpoints, four credits approval pending.*