

LEG REG REVIEW 2007, Thirtieth 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.

NEW COVER ALL PENNSYLVANIANS BILLS INTRODUCED

New bills including Governor Rendell's Cover All Pennsylvanians proposal are House Bill 1870 (Sturla-D-Lancaster) and Senate Bill 1117 (Costa-D-Allegheny). These embody insurance reforms proposed by the Governor that were not acted on by the legislature before it recessed last summer. These bills succeed HB 700 because much in the original proposal (hospital-acquired infections, expanding practitioner authority etc.) has already passed and is signed into law. The new state health plan builds on adultBasic and would be funded by a tax on employers not offering health insurance. It would require that 85% of premiums collected by private sector insurers be spent on insurance claims. For the text of both bills, go to the Electronic Bill Room, www.legis.state.pa.us.

GOVERNOR LAUNCHES FULL-COURT PRESS ON CAP

Governor Rendell kicked off a fall drive to engage the General Assembly in his vision of health care reform with a Health Reform Rally in the Capitol October 2. Dominated by organized labor and unemployed groups, the Rally was designed to showcase the need for Cover All Pennsylvanians (CAP). This Rally coincided with the first of four October Days on the Hill sponsored by the Pennsylvania Association of Health Underwriters, which opposes CAP.

The Governor is also having a "Tour to Insure" bus tour of the state this week with stops in Punxsutawney (House Minority Leader Sam Smith's district), Warren (Senate President Pro Tempore Scarnati's district), Pittsburgh, Erie, State College, Johnstown, Scranton, Wilkes-Barre, and Allentown. In his weekly newsletter, Rendell said that businesses are concerned, citing a Chamber of Business and Industry survey, and claiming that CAP will "level the playing field for small businesses that already are doing the right thing by providing health insurance to their employees."

Also ongoing are a series of sessions convened by the Office of Health Care Reform and the Insurance Department to hear from pre-selected businesses about the health cost struggles they face. Coming up are Erie October 15, Pittsburgh October 16, and State College October 24. Those seeking to participate should email Consumer Liaison Cindy Fillman at cfillman@state.pa.us.

VARIOUS INSURANCE BILLS TO NOTE

- House Insurance Committee Chairman Tony DeLuca (D-Allegheny) has introduced HB 1858 requiring creditors to notify credit life insurance companies if there is an early payoff of a loan, prompting a refund to the consumer of unearned premiums.
- Rep. Frank Shimkus (D-Lackawanna) mandates insurance coverage for infertility in HB 1430.

- On October 3 the PA House passed a property casualty company solvency bill (House Bill 1167 sponsored by Rep. Vince Biancucci (D-Beaver)).

PHC4 REPORT COVERS DIFFERENT GROUND

The PA Health Cost Care Containment Council issued an October report that breaks from the past record of cost and quality comparison reports. The new PHC4 report, “Critical Condition: The State of Health Care in Pennsylvania”, says that efforts to curb costs have been largely unsuccessful. It noted that premiums for family coverage grew by 75% from 2000 to 2006 and that 75% of the state’s health care costs can be tracked to 25% of patients, those with asthma, high blood pressure, diabetes, heart disease, and arthritis. The report’s gloomy prognosis included a prediction of deterioration in the (health) quality of life: “And like a house of cards approaching collapse, the problems are deeply interconnected, exacerbated by stressors that continue to mount.” (www.phc4.org)

The PCH4 also issued its standard Hospital Performance Report in late September evaluating 177 PA hospitals from October 1, 2005 to September 30, 2006. It analyzed data for 31 common medical procedures and treatments with additional treatment categories seen on the web site listed above.

REGULATORY UPDATE

- The Independent Regulatory Review Commission has returned a proposed Banking Department regulation on Proper Conduct of Lending and Brokering in the Mortgage Loan Business (Regulation #3-43, IRRC 2620) to the agency for further work, citing concerns about consistency with federal case law and the need for more clarity. IRRC’s comment notes the Banking Department’s intent to eliminate any mortgage that does not verify the income and fixed expenses of the applicant.
- The list of approved guide source method vendors was listed in Notice 2007-04 in the September 29 PA Bulletin (www.pabulletin.com). These are used to calculate the replacement value of total loss or unrecovered vehicles under the Motor Vehicle Physical Damage Appraisers regulation. This is an annual listing.
- The Insurance Department is considering several applications
 - Keystone State Life Insurance Company wants to merge with Wilson Reinsurance Life Company of New York.
 - ACE Insurance Company of Illinois and the ACE Insurance Company of the Midwest would merge with and into ACE American Insurance Company.
 - PennCommonwealth Casualty of America is seeking a PA Certificate of Authority to do business in the Commonwealth as a domestic stock casualty company.

UPCOMING...

- On October 15-16, the 81st Annual Governor’s Occupational Safety & Health Conference will take place in Hershey. Among the speakers is OSHA administrator Edwin Foulke, Jr.

PHILLIPS ASSOCIATES PLANS NOVEMBER CE CONCENTRATION

A number of Continuing Education offerings will take place in November with classes in Contractor Insurance and Workers’ Compensation scheduled in **Pittston November 13** and **Pottsville November 16**. Scheduled in **Greensburg November 15** are E&O In-Depth and Mitigating Disasters. **Warrendale** will be the site of those two classes **November 27**. Along the Northern Tier in **Wellsboro are November 13 and 14** with Insurance Producer Public Policy Issues and Tort Reform Issues. Plans are under way for eight hours in Horsham towards the end of November.

Coming up immediately is an Oct. 24 four-credit E&O class in Broomall. Please contact 717/732-7255 for CE info and registration.