

## **LEG REG REVIEW 2008, First 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.*

### **RENDELL LOBBIES DOCS re MCARE & CAP**

In a December 21 letter to Pennsylvania doctors, Governor Rendell called upon them to “talk to fellow physicians, your professional organizations, and the CEOs of your local hospitals” urging passage of Cover All Pennsylvanians (CAP) funded by the surplus in the MCARE abatement program. The abatement program was established to help PA doctors pay all or part of the MCARE assessment (state portion of Medical Malpractice insurance). The authority for PA to make such payments ran out December 31 because the Governor’s goal to use the surplus to fund his vision of health reform was not enacted by the General Assembly. The Senate had passed a different reauthorization that would not use the money for CAP but the House did not concur.

On the same date, Insurance Commissioner-designee Joel Ario sent a notice to CEOs of Pennsylvania’s P/C companies advising them that any unbilled MCARE assessments associated with primary policies with January 2008 effective or renewal dates should be billed by January 20 with a March 31 due date or 60 days after the renewal date. Questions go to Deputy Insurance Commissioner for MCARE Peter Adams 717/783-3770 E-mail: [padams@state.pa.us](mailto:padams@state.pa.us)

### **MORE RETIREMENTS AFTER 2008**

A U.S. congressman, two more state Senators and several House members should be added to the list of retiring legislators begun in the last 2007 issue of Leg-Reg Review (2007.38). As stated previously, these retirements remove much of the institutional memory and, combined with the huge turnover in the last election, make for a very different legislative environment in 2009 than Harrisburg has seen for some time.

New additions to the list include:

- **U.S. Congressman John Peterson (R-5)**. Among other things, he is a stalwart advocate for insurance agents and was a leader in securing passage of federal legislation authorizing PA and other states to have Long-Term Care Partnerships.
- **Senator Connie Williams (D-Montgomery)**, minority chair of the Senate Communications & High Technology Committee
- **Senator Gerry LaValle (D-Beaver)**, minority chair of the Senate Appropriations Committee
- **Rep. Carole Rubley (R-Chester)**
- **Rep. Bob Bastian (R-Somerset)**
- **Rep. Ron Raymond (R-Delaware)**
- **Rep. Lisa Bennington (D- Allegheny)**

## SESSION DAYS ANNOUNCED

The General Assembly will meet in Harrisburg beginning next week (January 14) and will follow the following schedule.

- **January 14,15,16,17,28,29,30**
- **February 4,5,6,11,12,and 13 (Senate only)**
- **March 10,11,12,17,18,31**
- **April 1,2,7,8,9 and,28,29,30 (House only)**
- **May 5,6,7,12,13 ,14, and 19,20,21(House only)**
- **June 2,3,4,9,10,11,16,17,18,23,24,25,26,27,28 and 29 (Senate only),30**

## COURT INSURANCE RULINGS

The PA Supreme Court issued rulings of importance to the insurance industry. First was a revision of the April court ruling in the **Sackett v. Nationwide**. The new ruling holds that waivers are not required if the existing auto policy continues coverage for the new vehicle upon simple notice and premium payment but waivers are required under policies with after acquired vehicle clauses which terminate new car coverage after a finite date. Second, the court ruled that uninsured/underinsured motorist stacking is not available in commercial fleet policies. (**Everhart v. PMA Group**) *Thanks to the Insurance Federation for their legal summary of these cases.*

## AGING PLANS TOWN MEETINGS

The PA Department of Aging (DOA) released its schedule of town meetings required by federal law to help it prepare for an update to its State Plan on Aging. This Plan charts the course DOA plans to undertake in addressing seniors' needs in the Commonwealth. The focus this year will be on long-term care as well as other issues (abuse, empowerment, etc.) The Department has issued a discussion guide to help the public understand the purpose of the meetings at [www.aging.state.pa.us](http://www.aging.state.pa.us). Persons who cannot testify may submit comments to the Department on Aging, c/o Division of Systems Planning & Consultation, 555 Walnut Street, 5<sup>th</sup> floor, Harrisburg, PA 17101. Meetings are set for:

- **January 31** Elizabethtown Masonic Village
- **February 7** Clarion Holiday Inn
- **February 8** Pittsburgh Community College of Allegheny County
- **February 21** Nanticoke at Luzerne County Community College
- **March 7** Bedford Heartland Hall
- **March 14** West Chester University Stykes Student Union
- **March 17** Williamsport Pennsylvania College of Technology

## NEWS TO NOTE

- President Bush signed HR 2761 into law as a reauthorization of TRIA, the Terrorism Risk Insurance Program. The legislation changed an original definition of terrorism as only acts coming from abroad. It now includes domestic terrorist acts. HR 2761 extends TRIA for seven more years.
- *The EEOC ruled December 26 that employers may reduce or eliminate health benefits when retirees become eligible for Medicare.*
- The Commonwealth has gathered more money in the first half of the fiscal year than anticipated. The budget surplus is expected now to be \$117 million.
- *A hearing of the House Consumer Affairs Committee is set for January 17 in Clarks Summit on HB 1821, the regulation of home contractors. Of interest to insurance interests would be insurance requirements required of contractors.*
- Gov. Rendell signed HB 131 (Yewcic-D-Cambria) as Act 69 of 2007. It prevents municipalities from billing insurers for police response activities (investigation and clean-up) for automobile accidents. It goes into effect February 18, 2008.