

LEG REG REVIEW
2009, 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. 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.

NOTICE TO LEG-REG REVIEW READERS

In January 2009, Leg-Reg Review will no longer be faxed unless you do not have e-mail capability. Please send Joan Troutman your email address (jtrout2792@aol.com) and include your name and fax number for proper tracking.

HEALTH UNDERWRITERS PROVIDE OBAMA TRANSITION INPUT

In the last week of December two local association of health underwriters convened meetings in Harrisburg, Meadville, and Erie to identify areas where the new Administration should focus its health reform strategy. Responding to the invitation of HHS Secretary-designate Tom Daschle to the National Association of Health Underwriters were the Central Association of Health Underwriters and the Northwest Association of Health Underwriters.

The two formats were different with one choosing a discussion format of licensed insurance brokers and the other convening town hall style meetings. The message from both was that any public initiative is doomed to fail unless health care costs and unnecessary use of the health care system are curbed. Curbing costs reduces pressure on premiums and alleviates pressure an employers faces in trying to offer this employee benefit. The central PA group presented the suggestion that those signing up for Medicare be required to fill out an Advance Directive form specifying what heroic measures would be taken at the terminal stage. If enough choose less interventionist medicine at final stage, health treatment costs would dramatically decline. In addition, the suggestion was made that HHS make sure that insurance agents are able to market CHIP so as to reach those children who are eligible but currently not enrolled.

NEW LEGISLATIVE SESSION BEGINS

The 2009-2010 session of the General Assembly begins January 6 with members taking the oath of office and being sworn in. Initially, there may be some movement of office locations for newer members so those writing to legislators may choose to use a generic address for at least the short term. It is Hon. (name), Main Capitol, Harrisburg, PA 17120. Swearing in of state offices of Attorney General, Auditor, and Treasurer takes place January 20.

The House has posted its session schedule for the first half of 2009. While the Senate schedule had not been posted as of press time, it will be reasonably close to this. Days the House of Representatives are in session are:

January	6, 26-28
February	2-4, 9-11
March	1-11, 16-18, 23-25, 30-31
April	1, 20-22, 27-29
May	4-6, 11-13
June	2-4, 8-10, 15-17, 22-30

HOUSE GOP APPOINTS CHAIRS

Several of the committee chairs appointed by the House Republicans are (* denotes new chairperson.):

Aging & Older Adult Services	Tim Hennesey (Chester)
Agriculture & Rural Affairs	Sam Rohrer (Berks) *
Consumer Affairs	Bob Godshall (Montgomery)
Commerce	Dick Hess (Bedford)
Education	Paul Clymer (Bucks) *
Finance	David Argall (Schuylkill) *
Health & Human Services	Curt Schroder (Chester) *
Judiciary	Ron Marsico (Dauphin)
Insurance	Nick Micozzie (Delaware)
Labor Relations	Gene DiGirolamo (Bucks)
Transportation	Richard Geist (Blair)
Previously selected was Appropriations Committee chair Mario Civera (Delaware).	

BUDGET WOES (CONTINUED)

Pennsylvania's budget problems are deepening with additional revenue figures less than projected. The result is a de facto deficit of \$2 billion or more for the fiscal year ending June 30, 2009. It is not a budget projection for the new FY, something that will not be publicly known until Governor Rendell presents his budget address in early February. November revenue figures showed less than expected revenue collections in all major tax categories, with \$1.6 billion in General Fund revenues, 5.7% less than anticipated. December's numbers are reported to show a slight increase in Corporate Income Taxes over projections but not enough to even marginally erase this fiscal year's deficit.

DATES TO REMEMBER

NOW	Turnpike fares increase 25 percent. Money does not go to the Turnpike but rather to fund other PennDOT and mass transit projects across the state.
March 3	Special Senate election in Schuylkill County
March 31-April 3	NAHU Capitol Conference in DC
April 15	Reading I Day
April 23	Pittsburgh I Day

MINE SUBSIDENCE INSURANCE RATES FALL

Effective January 1, 2009, the DEP mine subsidence insurance premium declined significantly at 25 percent for homeowners and 60 percent for commercial policies. An annual homeowner's premium is now less than 70 cents per \$1,000 of coverage or about \$85 for a \$130,000 property. According to Acting DEP Secretary John Hanger, this is the first ever decline in mine subsidence premiums in 45 years. Over \$23 million in claims has been paid since 1961 with \$1.3 million going for 29 claims during the past fiscal year. Thanks to 2002 legislation, insurance agents market the mine subsidence product and receive an initial commission for the sale.

POLITICAL NOTES

- Rep. Dave Argall will be the GOP nominee in the March 3 Senate special election to fill the vacancy created by Senator Jim Rhoades' death. He will face Schuylkill County Treasurer Steve Lukach
- The Obama Transition Team has opened up a website for citizens to pose questions or make comments to the new government. The site is <http://change.gov/openforquestions>