

LEG REG REVIEW

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LEG REG REVIEW is a periodic newsletter produced by Vince Phillips who retired from active lobbying after 31 years of advocacy in Harrisburg. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. Annual subscriptions are \$100 and information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 or e-mail to xenobun@aol.com.

HOUSE INSURANCE REPORTS THREE BILLS

On April 24, the House Insurance Committee convened for its first meeting in the 2023-24 legislative session of the General Assembly. Approved unanimously were three bills:

- **House Bill 739** (Boyle-D-Phila. and Pickett-R-Bradford). HB 739 seeks to bring PA in line with National Association of Insurance Commissioners (NAIC) model language regarding insurance data security. Among other things, it creates compliance requirements as to what cyber protections are necessary and a mechanism of reporting compliance status to the Insurance Department. One mandate is a Stress Test (“risk assessment”).

Mentioned in the last LEG REG Review was the provision to exempt licensees with; fewer than ten employees; less than \$5 million in gross revenue; less than \$10 million in year-end total assets from the risk assessment. A LEG REG Review subscriber commented that the exemption does not apply to the notifications relative to a privacy event. The reporting of a cybersecurity breach details are found on pages 14-19 of the bill:

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2023&sessInd=0&billBody=H&billTyp=B&billNbr=0739&pn=0688>.

- **House Bill 735** (Warren-D-Bucks) would establish the Flood Insurance Premium Assistance Task Force to look at ways Flood Insurance premiums can be discounted. It also seeks ways for communities to be more inclined to build flood protection infrastructure. No licensed insurance agents or Surplus Lines licensees would be designated to serve the Task Force as a member.

PERSONAL NOTE: *If you sell Flood Insurance, please help me better understand how much discretion insurance producers have with NFIP to offer inducements and rebates as is now legal in PA up to \$100. Second, NFIP used to have an agent locator by community. All I could find now was a list of Write Your Own companies. Thanks for your help or referral. Thanks, Vince*

- The third bill is **Senate Bill 8** (Ward-R-Westmoreland). It requires first-dollar preventive care health insurance coverage with more advanced breast exams/tests. It passed the Senate by a 50-0 vote. **On April 26, it passed the House 200-0 and now goes to the Governor for his approval.**

HOUSE BILL 1 PASSES HOUSE

On April 25, the PA House voted 147-54 to pass **House Bill 1** (Rozzi-D-Berks). 48 Republicans crossed party lines to vote for HB 1. This is an amendment to the PA Constitution to provide a two-year window for child sexual abuse victims to file civil actions against the alleged abuser. Earlier this year, Senate Republicans sent **Senate Bill 1** (Laughlin-R-Erie) to the House which included this amendment but added others that Democrats vigorously opposed. It ended up in the House Judiciary Committee with no prospects for passage by the Democrat-controlled House. So far, Senate Republican leaders have not expressed interest in considering HB 1.

OTHER HOUSE ACTIONS

- Passage of **House Bill 494** (McNeill-D-Northampton) to require inspections of fire and smoke detectors in child care centers and family child care homes. The vote was 158-43.
- 201-0 passage of **House Bill 507** (Fiedler-D-Phila.) to require informed advance consent for pelvic and other exams using anesthesia.

SENATE ACTIONS

On April 24 and 25, the Senate passed four pieces of legislation, none of which directly affect the Insurance Industry. They are:

- **Senate Bill 267** (Brooks-R-Mercer/Crawford/Lawrence) would add urgent care centers to the list of “safe havens” where a parent may surrender their newborn child without criminalization. Similar “Baby Moses” laws have been passed in several other states. Vote was 50-0.
- **Senate Bill 226** (Robinson-R-Allegheny) concerns building standards. Vote was 50-0.
- **Senate Bill 433** (Baker-R-Luzerne/Pike/Wyoming/Susquehanna/Wayne) would require Senate confirmation of the PA Emergency Management Agency (PEMA). The vote was 31-19 with three Democrats joining Senate Republicans in voting yes.
- **Senate Bill 466** (Brown-R-Lackawanna/Monroe/Wayne) provides environmental liability protections to land banks when they seek to redevelop brownfields. Vote was 50-0.

LABOR & INDUSTRY COMMITTEE MOVES WC BILLS

On April 24, the House Labor & Industry reported out several bills including three dealing with Workers’ Compensation. **House Bill 413** (Galloway-D-Bucks) addresses misclassification of workers as independent contractors in the construction industry. It specifies that a worker classified as an independent contractor must have a written contract specifying a project and its duration. One goal is to reduce Workers Compensation fraud. The vote was 13-8 with one GOP crossover voting with Democrats to move the bill.

A second Workers Compensation proposal, **House Bill 760** (Pisciottano-D-Allegheny), allows WC payments to be made through direct deposit if the claimant requests it. A third bill, **House Bill 930** (Dawkins-D-Phila.), seeks to fill a loophole in the Workers Compensation Act which now prevents some workers with disfigurements below the neck from being eligible for compensation. Both passed 12-9 by the Democratic majority. A non-WC bill reported out by committee was **House Bill 299** (Harkins-D-Erie) to extend OSHA safety rules to public sector employees. The vote was 13-8 with Democrats and one Republican voting yes.

COMMITTEE WORK... The House Transportation Committee voted unanimously April 24 to report **House Bill 134** (Bizzarro-D-Erie). It would add a certified driver rehabilitation specialist to PennDOT’s Medical Advisory Board. This Board is responsible to establishing physical and mental criteria drivers must meet before obtaining a Driver’s License.

REGULATORY UPDATES

- PA Insurance Department issued Notice 2023-04 on April 22. It notifies insurers that individuals who were under Medicaid but now eligible for Medicare may purchase a Medicare Supplement (Medigap) policy without a late enrollment penalty. Details: Bureau of Life, Accident, and Health, RA-RATEFORM@pa.gov.
- Also issued on April 22 was Insurance Department Notice 2023-05 announcing a comment period from April 24 through May 24, 2023 on its Affordable Care Act Section 1332 Waiver that allowed PA to set up its own state-based exchange (“Pennie”) and a reinsurance mechanism. The Department is seeking flexibility so that the state’s share of reinsurance funding would be redirected to assist low-income individuals to obtain exchange coverage with more of a subsidy. Comments may be submitted to Katie Merritt, Director of Policy & Planning, PA Insurance Department, 1326 Strawberry Square, Harrisburg, PA 17120 or via RA-IN-PA1332Waiver@pa.gov.
- **MEETINGS:**
 - The PA Health Care Cost Containment Council (PHC4) meets May 4. Info.: rgreenawalt@phc4.org.
 - Meeting dates for the PA Long-Term Care Council will take place on June 8, August 10, October 12, and December 14. Details: Sasha Santanna at 717-787-3368 or ra-ailtcc@pa.gov.