

LEG REG REVIEW

2023, 25th Issue December 2, 2023

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.

LEGISLATIVE ACTIVITY There are just three session days left in 2023. Both House and Senate plan to reconvene on December 11, 12, and 13.

Efforts will be made to get pending legislation done before the advent of the New Year. However, chances of Senate Republicans' concurrence with legislation advanced by the Democratic-controlled House are murky given Governor Shapiro's appeal of a Commonwealth Court decision to block implementation of the Regional Greenhouse Gas Initiative (RGGI). Senate Republicans brought the lawsuit, claiming that Governor Wolf's effort to bring PA into RGGI violated the Pennsylvania State Constitution which says that the authority to impose a corporate tax may not be given to another entity (such as a regional entity like RGGI).

Committee Work

- Neither the Senate Banking & Insurance Committee nor the House Insurance Committee have meetings scheduled in December. That could change if a meeting is convened 'off the floor' during the session.
- Neither the Senate nor the House Labor & Industry Committees (Workers Compensation) have meetings scheduled for December. Again, that may be subject to change.

Legislative Calendars

There are no bills on the House voting calendar specifically relating to insurance.

On Senate second consideration (needs one more session day before it can be voted on) are:

- **Senate Bill 365** (Bartolotta-R-Beaver/Greene/Washington) expands Workers Compensation coverage for EMS first-responders, Volunteer firefighters, and PA State Police.
- **Senate Bill 259** (Mastriano-R-Franklin) proposes to establish a three-year regulation reduction of 25% in three pilot agencies, not including the PA Insurance Department. The three agencies are Corrections, Parole Board, and the Department of State Bureau of Professional and Occupational Affairs. NOTE: This does not affect PID but, if enacted, could be a precursor to something later on.
- **Senate Bill 265** (Laughlin-R-Erie) would allow garage drains to empty directly into septic systems. There may be insurance implications should oil and other toxic substances void the effectiveness of the septic system in handling human waste and possibly contaminate underground water (wells).
- **Senate Bill 577** (Kane-D-Chester/Delaware) tightens penalties in the construction industry for employers who misclassify employees as independent contractors to avoid paying Workers Compensation premiums.

RACE AND ETHNICITY INSURER DATA COLLECTION APPROVED

The Independent Regulatory Review Commission (IRRC) on November 15 approved a final-form regulation by the Insurance Department to allow life and health insurers to collect race and ethnicity data on enrollment forms. Although this is voluntary, it foreshadows possible Federal rules making the data collection mandatory. The purpose would be to identify areas of racial equity concern per the PA Insurance Department:

"This will both positively impact the Commonwealth's continued efforts to promote equity across society and help strengthen the insurance market through expanding the number of people actively participating in it."

CONSUMER DATA PRIVACY ACT MOVES

On November 15, the House Commerce Committee reported out **House Bill 1201** (Neilson-D-Phila.) without dissent. In committee, an amendment was added to exempt insurers governed by the Gramm-Leach-Bliley law dealing with financial institutions' (including insurance) protection of personally-identifiable consumer information.

REGULATORY UPDATES

- Posted December 2 in the PA Bulletin was a notice by the PA Insurance Department that it had received a request from Highmark to modify Order No. ID-RC-13-06 from April 2013 regarding Allegheny Health Network. Persons wishing to comment are asked to send written comments to PID on or before January 16, 2024. The request text does not appear in the PA Bulletin but inquiries may go to kimsheaffe@pa.gov.
- The Coal Mine Compensation Rating Bureau has filed a loss cost level change that, if approved, would be effective April 1, 2024. The Bureau is requesting an overall 8.4% decrease. Information: Eric Zhou at gzhou@pa.gov.

I-DAY NEWS

Philly I-Day is returning on May 20, 2024. Although registrations have not yet begun, December 21 is the date set for session proposals to be received by the Insurance Society of Philadelphia at info@insurancesociety.org. Details: 215-867-8102. The 2024 Philly I-Day theme is Sustainable Insurance Practices with potential programs on climate change, renewable energy, eco-friendly insurance products, etc.

PAMIC ISSUES 2024 SCHEDULE

The PA Association of Mutual Insurance Companies (www.pamic.org) has announced a program schedule for the first half of the New Year.

- March 18-19: Annual Spring Conference in Hershey
- April 29-30: Claims Summit in Lancaster
- May tba: Mutual Insurance Day at the Capitol in Harrisburg
- June 19-20: Leadership & Board Symposium in State College

INDUSTRY NOTES

- Another COVID casualty... The Capital Area Insurance Professionals Board has made the difficult decision to disband and thanked its members' "*work, dedication, and fellowship. We are grateful for the professional and personal friendships that have been built.*" Contact: CAIP President Tiffany Holland at info@caippa.com.
- The PA Surplus Lines Association (PASLA) announced that its 2024 Annual Meeting will be held on May 8-9 in Hershey with registration and other information to be posted at www.pasla.org.
- November's Rough Notes magazine profiled The Dunn Group independent insurance agency in Towanda, PA. Founded in 1933, the Dunn Insurance Agency changed its name to The Dunn Group in 2016 after its acquisition of a New York agency.
- LEG REG Review (Vince Phillips) has filed a Right To Know Request with the PA Insurance Department regarding which permits and licensing applications are covered by Governor Shapiro's Executive Order directing agencies to prepare such lists. These would be subject to a filing fee money refund if the application was not resolved in a reasonable time. According to the Administration, 74% of all PA permits are affected but as of yet, no comprehensive list has been published.

SIGNED INTO LAW as Act 31 of 2023 on November 21 was **House Bill 507** (Fielder-D-Phila.) to require patient consent for pelvic, rectal, and prostate exams where anesthesia is involved.