

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.

MANDATED EMPLOYER RETIREMENT BILL PASSES HOUSE

Legislation creating a state-run retirement plan with compulsory employer participation passed the House May 24 by a largely partisan vote of 106-95. **House Bill 577** (Mullins-D-Lackawanna) establishes the Pennsylvania Saves program where:

- Employers not having an existing “tax-favored” retirement plan for employees are required to participate.
- *Employers not in business for 15 consecutive months are exempted but it is their obligation to contact the state when that threshold is crossed.*
- Employers shall “Manage and facilitate all opt-in and opt-out paperwork with employees.”
- Among employer requirements are notifying the state of new hires.
- *Employees are automatically enrolled in the PA Saves state retirement plan. It is up to the employee to opt out but the employer must handle notification to employers that they are enrolled unless they choose not to.*
- Employers deduct four-percent of gross pay as premium. Four percent is a starter. The premium could eventually rise to ten percent of gross pay.
- *The retirement plan stays with the employee if he or she changes jobs or leaves employment.*
- Employers provide an annual open enrollment period of at least two weeks.

The affirmative vote to pass HB 577 included all House Democrats and five Republicans: Representatives Tomlinson (Bucks), Hogan (Bucks), E. Nelson (Westmoreland), M. White (Phila.), and R. L. James (Venango/Crawford).

Following is a link to the legislation. Given its far-reaching government expansion and possible crowd-out of private sector plans, insurance professionals might wish to look at HB 577 for particulars. It must still pass the Senate. Link:

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2023&sessInd=0&billBody=H&billTyp=B&billNbr=0577&pn=1304>.

HOUSE PASSES FLOOD MAP CHANGES BILL

By a 160-41 vote on May 24 (with negative votes coming from Republicans), the House passed **House Bill 246** (T. Davis-D-Bucks). It would require municipalities and counties to notify affected property owners by written notice through the U.S. Postal Service that there are changes in Federal flood hazard maps. These notifications must be made within 90 days after being notified by PA Emergency Management Agency (counties) or by the Federal Emergency Management Agency (municipalities).

HOUSE & SENATE RETURN TO HARRISBURG JUNE 5

The PA House and Senate return to the State Capitol on June 5. The focus for June will be the State Budget for Fiscal Year 2023-24. June session days follow:

- **Senate** June 5, 6, 7, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30
- **House** June 5, 6, 7, 12, 13, 14, 20, 21, 21, 26, 27, 28, 29, 30

HOUSE CALENDAR

There are no bills on the House calendar for June 5 relating to insurance.

SENATE CALENDAR for June 5

Third Consideration (ready for a final vote)

- **Senate Bill 453** (Phillips-Hill-R-York) proposes several technical changes in DUI legislation.

Second Consideration (needs one more day of consideration before a final vote can be taken)

- **Senate Bill 37** (Brown-R-Monroe/Wayne/Lackawanna) would make illegal use of a hand-held communications device by the driver while the vehicle is in motion (except in case of emergency).
- **Senate Bill 100** (Brooks-R-Mercer/Crawford/Lawrence) adds Lyme Disease treatment as a mandated insurance benefit, particularly for longer-range prescriptions for antibiotics.
- **Senate Bill 425** (Dush-R-Indiana) would eliminate courts' ability to defer to an agency's interpretation of a statute whose meaning may be unclear.
- **Senate Bill 692** (Laughlin-R-Erie) would establish authorization of the use of electric low-speed scooters if approved by ordinance of cities of the second and third class.
 - Insurance (proof of financial responsibility) for commercial electric scooter enterprises (rentals) must be required in the ordinance.
 - Commercial general liability insurance coverage with at least \$2 million per occurrence with an aggregate of \$2 million is required.
 - Commercial electric scooter (rental) enterprises shall also have automobile insurance coverage with a limit of at least \$1 million per occurrence with an aggregate of \$2 million.
 - Commercial electric scooter (rental) enterprises without insurance may be subject to a civil penalty not to exceed \$1,000 per day.

REGULATORY UPDATES

- **Surplus Lines:** Commercial Cyber Insurance (inclusive of first party and/or third-party commercial coverage) is now on the Export List. Coverages on the Export List mean that insurance producers no longer have to go through declinations to get to this Surplus Line coverage. Retail insurance producers must still go through a Surplus Lines licensee to obtain access to this product. Questions: Lori Rumpf at lrumpf@pa.gov.
- **Workers Compensation:** The Pennsylvania Insurance Department has approved PCRB Filings No. [338](#) and No. [339](#) which contains revisions to the PA Basic Manual and PA Statistical Plan Manual provisions related to the COVID-19. The approved filings create an end date of June 30, 2023, for all COVID-19 related provisions. The effective date of changes is July 1, 2023. For additional information, refer to PCRB Circular No. [1795](#) and Circular No. [1796](#).
- **The Department of Labor & Industry is seeking public comment** on the 2021 International Building Construction Codes closing on August 29, 2023. Why is this important to insurance? After the comment period has ended, the PA UCC Review & Advisory Council will decide whether PA will adopt the International Code changes. Remember when the sprinkler Code change went into effect a few years ago? Until repealed, this mandate caused real consternation within the Insurance Industry. The sprinkler mandate was an obscure part of the International Code that PA reacted to after it went into effect. This comment period and UCC Review & Advisory Council is now part of our state's due diligence. Comments should be submitted on Labor & Industry's website at www.dli.pa.gov. Questions: Walter Schneider, 717-787-3806, option one.
- **Pennie:** The Shapiro Administration is stressing that Pennsylvanians who were on Medicaid because of Federal law expansion because of COVID who have been dropped from Medicaid when Federal law changed will still have access to PA's health insurance exchange through Pennie: www.dhs.pa.gov/COMPASS to check Medicaid enrollment status and <https://pennie.com/> to enroll.