

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 IMPASSE CONTINUES

As of January 14, session days for the PA House have not yet been posted. Committee members have not yet been announced. Committee chairs have not been announced – importance to the Insurance Industry since there will be a new Democratic Chair given the passing of the late Rep. Tony DeLuca in 2022. No House Rules have been set. And finally, who is running the show? As readers may know, Rep. Mark Rozzi (D-Berks) was voted Speaker as a consensus candidate who received 15 Republican crossover votes added to all Democratic votes. In his acceptance speech, he promised not to join with any caucus and to be Independent in his stewardship of the House. Then, he apparently decided to remain a Democrat. This brought cries of betrayal from the GOP that Speaker Rozzi reneged on his promise. The Republican Representative who nominated him called for his immediate resignation as Speaker. (Rep. Mark Rozzi is still Speaker).

So again, who is in control with a newly re-minted Democratic Speaker and a Republican majority until after February 7 when the vacant seats held by former Representatives Summer Lee, Austin Davis, and Tony DeLuca are filled in these highly Democratic Allegheny County districts? If that happens, Democrats will command a one-seat majority – although the short-lived era of bipartisanship will close.

A major first order of business will be House consideration of constitutional amendments passed by the Senate January 11 by a partisan vote of 28-20 with Republicans voting for plus one Democrat, Senator Lisa Boscola (D-Northampton/Lehigh) who crossed over. Democrats voted no because a supported amendment lifting the statute of limitations for child victims of sexual abuse was co-joined with GOP amendments of voter identification and an increase in the General Assembly's power to veto regulations. **Senate Bill 1** (Laughlin-R-Erie) was introduced on January 6. Action on the amendments must be completed by January 27 in order to be voted on in the spring primary.

SENATE BEGINS LEGISLATIVE WORK

The PA Senate has begun legislative work. Besides SB 1, the Senate passed three other bills. **Senate Bill 35** (Langerholc-R-Cambria/Centre/Clearfield) would reverse the automatic gas tax increase that just went into effect. Again, the 29-19 vote was largely partisan with Republicans voting yes along with two Democrats, Boscola and Senator Marty Flynn (D-Lackawanna). The other two bills naming bridges passed unanimously.

SENATE BANKING & INSURANCE COMMITTEE NAMED

Makeup of the Senate Banking & Insurance Committee is known. Continuing as Majority and Minority Chairs respectively are Senator John DiSanto (R-Dauphin) and Senator Sharif Street (D-Phila.). Other members include:

Republicans

President Pro Tempore Kim Ward (Westmoreland)
Chris Gebhard (Lebanon)
Lisa Baker (Luzerne/Pike/Susq. /Wayne/Wyoming)
Dan Laughlin (Erie)
Kristin Phillips-Hill (York)
Devlin Robinson (Allegheny)
Elder Vogel (Beaver)
Gene Yaw (Lycoming)

Democrats

Lisa Boscola (Northampton/Lehigh)
Jim Brewster (Allegheny)
Steven Santarsiero (Bucks)
Anthony Williams (Phila. /Delaware)

HUMPHREYS TO BE NOMINATED AT PID

Current Acting Insurance Commissioner Mike Humphreys will be nominated by Governor Josh Shapiro to continue his work at the PA Insurance Department. He served as Chief of Staff for former Commissioner Jessica Altman who left the Department to direct California's health insurance exchange. He became Acting Commissioner February 28, 2022. Before joining the Insurance Department, the Acting Commissioner served as Assistant Commissioner at the Tennessee Department of Commerce and Insurance, and before that at the National Council of Insurance Legislators (NCOIL). His nomination must be approved by the PA Senate.

OTHER SHAPIRO ADMINISTRATION NEWS

Governor-elect Josh Shapiro will be sworn in on January 17 at 12:00 noon outside of the East Wing of the PA Capitol (Fountain side). Attendance is free but the Inaugural Committee announced that the inaugural space had reached capacity. There is a waiting list available at <https://shapiroinauguration.org/>. The Inaugural festivities in Lititz are at capacity but those wishing to purchase tickets can be on a waiting list https://rsvp.theworldsbest.events/_85n00.

Lt. Governor-elect Austin Davis's swearing in will take place in the Senate Chambers immediately preceding the Governor's Inauguration outside of the Capitol's East Wing.

Many know that the Governor-elect served in the PA House as did his Lt. Governor Austin Davis. Two other former members of the General Assembly are joining the new state leadership. They are former Senator Pat Browne (R-Lehigh) who served 2005-2022 as Majority Chair of the Senate Appropriations Committee and prior to his Senate career as a state representative. Browne is being nominated for Secretary of Revenue. Former House Transportation Committee Democratic Chair Michael Carroll (D-Luzerne) will be nominated as Secretary of Transportation. He served in the House from 2007-22.

REGULATORY UPDATES

- The Insurance Department issued the list of eligible surplus lines insurers on January 14. Link: clb_pgrkrdmglp_o-nemm-144-755f81ede1d94f6bab2c6b10311de814@optout-feedback.com.
- Also published in the PA Bulletin on January 14 was the list of qualified unlicensed reinsurers. Link: <https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol53/53-2/63.html#>.
- A Zoom meeting of the Patient Safety Authority will be held January 26, 2023 at 1:30 p.m. Details: 717-346-0469.
- The Accident Surcharge Dollar Threshold (Cap) has been increased to \$2,100 effective July 1, 2023. This is an increase from the 2022 cap of \$1,900. Auto insurers by law may not cancel or refuse to write, impose surcharges or rate penalties if the cap is not exceeded over a three-year period. Details: Shannon Kost at skost@pa.gov or 717-783-4308. (Notice 2023-1)

FEBRUARY FIRST IS A HEALTH INSURANCE FILING DEADLINE

Due February 1, 2023, are health insurer rate filings for Student Insurance. This coverage is a type of individual health insurance offered to students and their dependents via a written agreement between the student, the institution of higher learning and the health insurance company. The Insurance Department prepared a document, *Student Health Insurance Rate Filing Guidance*, for Plan Year 2023-24.

The Department says that there are two parts to the filing process. The first is the February 1st Rate Filing which includes an actuarial memorandum and a rate manual. The second deadline comes seven days after the insurer and the institution have finalized negotiations and are agreed on a rate. It is for insurers to specify rates for each Specific Named Group (school). Link:

<https://www.insurance.pa.gov/Consumers/Documents/PY23-24%20Student%20Health%20Rate%20Guidance.pdf>.