

# 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. Subscriptions are \$100 and information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 or e-mail to [xenobun@aol.com](mailto:xenobun@aol.com).

### THIS IS THE LAST WEEK

This is the last week of the legislative session for 2021. It will reconvene January 5 to start the second year of this General Assembly.

### ANNUITY MARKETING COMPLIANCE BILL READY TO PASS

Watch for **Senate Bill 772** (DiSanto-R-Dauphin/Perry) which will be reported out by the Senate Rules & Executive Nominations Committee and scheduled for a final Senate vote this week. This legislation changes PA law to match National Association of Insurance Commissioners' Model Law. Specifically, it increases the due diligence of an insurance producer marketing annuities to ensure that any recommendation is truly in the client's best interest. The current standard is "suitability." Since this will likely be signed into law, previewing the text might be prudent:

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2021&sessInd=0&billBody=S&billTyp=B&billNbr=0772&pn=1127>.

What other insurance bills are on the House and Senate Calendar? Actually, it is a short list since other topics such as congressional redistricting and state election reform are expected to dominate legislative time.

### SENATE

- On third consideration (ready for a final vote) is **Senate Bill 775** (Bartolotta-R-Fayette) which expands Workers Compensation coverage to include treatment for first-responders for post-traumatic stress injury ("*First responder*" means an individual who is a professional or volunteer firefighter, a member of a volunteer ambulance corps, a member of a volunteer rescue and lifesaving squad, an emergency medical services employee, a paramedic, a Pennsylvania State Police officer or a peace officer"). Note that 911 call center operators are not specified in this legislation.
- On second consideration (could be voted on this week) are:
  - **Senate Bill 225** (Phillips-Hill-R-York) is a massive bill regulating pre-authorizations and grievance procedures by managed care plans and utilization review entities. A link follows: <https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2021&sessInd=0&billBody=S&billTyp=B&billNbr=0225&pn=0948>. NOTE that the bill was gutted in committee and re-written. Current text begins on Page 34.
  - **House Bill 1837** (Irvin-R-Mifflin/Centre/Huntingdon) would amend the Workers Compensation Act to require a claimant who intends to sign a Compromise and Release Agreement to appear before a Workers Compensation judge provide sworn testimony that he/she knows what is being done. Previously, HB 1837 passed the House 197-0.
  - **Senate Bill 676** (Pittman-R-Indiana) addresses auto insurance "stacking" and increases minimum levels of required coverage.
  - **Senate Bill 815** (Muth-D-Berks/Chester/Montgomery) provides for informed consent by a patient for any additional treatment not initially specified.

### HOUSE

- On third consideration (ready for a final vote) is **House Bill 922** (Davanzo-R-Westmoreland) amending the Workers Compensation law to allow employers or insurers to treat a third-party settlement as a credit for a future claim.

- On second consideration (could be voted on this week) are:
  - **House Bill 37** (R. Brown-R-Monroe) would make it illegal to use a hand-held electronic device while driving.
  - **House Bill 1665** (Quinn-R-Chester) relates to indemnification commercial contracts for snow and ice removal.

Legislative time permitting, one bill that could be voted on by the House is **Senate Bill 731** (Mensch-R-Bucks/Berks/Montgomery) regarding charitable gift annuities and transfer of responsibilities from the nonprofit organization to an insurer. It is on the House Commerce Committee voting schedule for this week.

### **BIDEN FINANCIAL DISCLOSURE PROPOSAL TAKES PA HEAT**

Both the PA House and Senate have adopted Resolutions urging the U.S. Congress to reject legislation containing a provision allowing the Federal Government (IRS) to routinely monitor banking transactions down to the \$600 level. **House Resolution 150** (Mecuri-R-Allegheny) passed 181-19. **Senate Resolution 195** (Phillips-Hill-R-York) passed 29-20 on a partisan vote with Democrats voting no. These are not binding on Congress but serve to tell Members of Congress of legislative sentiment in the Commonwealth.

### **POLITICAL/ELECTION UPDATE**

In the Republican primary contest for Governor, there is a new contender, Senator Scott Martin (R-Lancaster). Choosing not to run is Senator Dan Laughlin (R-Erie). Former House Speaker Mike Turzai (R-Allegheny) has not yet committed himself to the race.

### **REGULATORY UPDATES**

- The PA Compensation Rating Bureau (PCRB) submitted seven Workers Compensation filings with the Insurance Department which, if approved, would be effective April 11, 2022. An example is PCRB Filing No. 328, Updated Endorsement WC 00 04 06A – Premium Discount Endorsement. Details: <http://www.pcrb.com/industry-resources/filings>. NOTE: This does not include the Loss-Cost request.
- The PA Insurance Department received an application from Somerset Reinsurance, Ltd. to be a Certified Reinsurer. In addition, renewal applications were received from Arch Reinsurance, Ltd., Da Vinci Reinsurance, Ltd., Endurance Specialty Company, Hamilton Re, Ltd., Hannover (German) Life Reinsurance Co. of America, Liberty Specialty Market Bermuda, Ltd., Munich Re, Renaissance Re Europe AG, Renaissance Reinsurance, Ltd., Swiss Re, Watford Re, and Lloyds of London.

### **COALITION FOR CIVIL JUSTICE REFORM REPORTS BLEAK TORT LANDSCAPE**

The PA Coalition for Civil Justice’s December 10 [Updates Newsletter](#) presented gloomy news for tort reform advocates. First, the American Tort Reform Foundation (ATR) issued its tort reform grades for 2021. The Philadelphia Court of Common Pleas and the PA Supreme Court received the designation as the Nation’s fourth worst “Judicial Hellholes.” Partial responsibility for this label is given to aggressive attorney marketing to consumers which allegedly contributed to the more than 7,500 pending cases in one court against one pharmaceutical product, Risperdal, used to treat depression, anxiety, and for symptoms of irritability in autistic children aged 5-16. As of 2019, 85-percent of all pharmaceutical cases in Philadelphia’s Complex Litigation Center were from outside Pennsylvania.

The Coalition also suggested that an additional threat of excessive litigation is consideration by the PA Supreme Court Civil Procedural Rules Committee to allow so-called venue-shopping in medical malpractice cases. The current Rule specifies that a medical malpractice lawsuit must be brought in the county where the malpractice is said to have occurred.

**NAHU ANNOUNCES DC 2022 DC ADVOCACY DATE:** The National Association of Health Underwriters (NAHU) has scheduled its 2022 Capitol Conference in Washington, DC for February 28-March 3. Link: <https://nahu.org/capitol-conference>.