

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.

LEGISLATIVE ACTIVITY

Both House and Senate are involved in a number of legislative proposals concerning insurance.

- The House passed **House Bill 2096** (Warren-D-Bucks) on April 29 to aid Surplus Lines licensees which were prevented from collecting service fees for their work in placing an E&S policy because of a court interpretation of law. In advance of placing the policy, a licensee would have to provide advance notice and itemization of service fees, amount of premium tax due on the policy, etc. Service fees cannot exceed the cap of \$150.00 or four-percent of the premium. For details as to what is in HB 2096, please refer to:
<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2023&sessInd=0&billBody=H&billTyp=B&billNbr=2096&pn=2677>.
- On April 29, the House voted 201-0 to approve **House Bill 2177** (Mullins-D-Lackawanna) regarding inspection of motorcycles.
- Also on April 29, the Senate voted 49-0 for **Senate Bill 1092** (DiSanto-R-Dauphin) to allow rebates and inducements for value-added services of up to \$125.00. Insurers and insurance producers may provide a product (for example, a smoke detector) which reduces risk, educates the consumer, or enhances the personal or financial health of the consumer.
- On April 30, the House voted 184-16 to pass **House Bill 1463** (Benham-D-Allegheny). This would expand the definition of emergency responder to include ‘telecommunicators’ and thus qualify for Workers Compensation coverage for stress-induced mental health issues should separate enabling WC legislation also be passed by the General Assembly.

SENATE FINANCE COMMITTEE REPORTS EMT BILL

By a vote of 11-0 on May 1, the Senate Finance Committee reported out **Senate Bill 269** (Gebhard-R-Lebanon). This legislation would provide a state tax credit to volunteer emergency medical technicians (EMTs) depending on their length of service.

Also passed at the same meeting was **Senate Bill 77** (Brooks-R-Crawford/Mercer/Lawrence). It would amend the 1971 Tax reform Act to allow for exempting up to \$100,000 for family members from the Inheritance Tax.

HOUSE TRANSPORTATION TO TAKE UP JUNK TITLING

On May 6, the House Transportation Committee will consider **House Bill 2251** (Neilson-D-Phila.). This bill directs PennDOT to review the process of issuing junk titles. These are issued so that tow truck operators do not have to suffer long storage waits for owners to reclaim their abandoned vehicles or, if not, to dispose of them. The proposed turn-around time for PennDOT to approve or deny an application for a junk title would be ten days.

SENATE BANKING & INSURANCE WILL CONSIDER UCC

The Senate Banking & Insurance Committee is scheduled to meet on May 7 to take up **Senate Bill 1084** (Rothman-R-Cumberland). This legislation amends the Uniform Construction Code (UCC) to include a broad class of “digital assets known as ‘controllable electronic records which includes assets such as virtual currencies, non-fungible tokens, and electronic accounts and payment obligations.”

EMS ISSUES

- On the Senate voting calendar is **Senate Bill 365** (Bartolotta-R-Beaver/Greene/Washington). This would expand Workers Compensation coverage for first responders' post-traumatic stress injuries (PTSI). These traumatic injuries could result from a single horrific incident or a build-up of stress caused by multiple incidents over time. PTSI claims will require that diagnosis from a licensed psychiatrist or psychologist in accordance with the American Psychiatric Association Diagnosis and Statistical Manual of Mental Disorders, 5th Edition.
- Three bills, **Senate Bills 1132, 1133 and SB 1134** (Brown-R-Monroe), are also on the Senate voting calendar. Collectively, these bills provide authority to boroughs, second-class townships, and first-class townships to waive a legal requirement stating that only up to 50% of the EMS Tax can be used for salaries, benefits or other compensation for emergency medical service workers. It does not change the amount of tax per se but it does provide flexibility on how EMS Tax monies can be spent. To activate this provision, municipal governing bodies would have to pass a local government resolution.

SENATE LABOR & INDUSTRY COMMITTEE MOVES ESSENTIAL WORKER BILL

On April 30, the Senate Labor & Industry Committee reported out **House Bill 2235** (Haddock-D-Luzerne). It emphasizes the essential nature of meat packing and food processing to society overall and points to PA's leading role in these industries with over 2,300 food processing facilities. HB 2235 seeks to ensure that these workers receive proper safety training, have a mechanism to report dangerous workplace conditions, and can take an active role in safety on the job. The committee vote was 14-11 with Republicans voting no.

HOUSE INSURANCE COMMITTEE MEETS MAY 6

The House Insurance Committee is slated to meet on May 6 to consider:

- **Senate Bill 943** (Phillips-Hill-R-York) seeks to provide protection to consumers buying Travel Insurance by requiring a limited line form Travel Insurance, an insurance producer licensed in a major line of authority, or a P/C producer (who would not need an insurer's appointment). The bill makes the distinction between Travel Insurance and non-insurance services that may be bundled as 'travel protection plans.' These plans cover fees incurred when cancelling travel, obtaining replacement travel documents, lost luggage, etc.
- **House Bill 2234** (Kim-D-Dauphin/Cumberland) is part of Governor Shapiro's State budget proposal to use the Workers Compensation Security Fund to provide subsidies to help the uninsured to purchase health insurance exchange policies through Pennie.
- **House Bill 1021** (Sanchez-D-Montgomery) would prohibit health insurers from denying insurance to individuals just because they have an opioid reversal agent such as naloxone in their prescription profile.
- **House Bill 1867** (Venkat-D-Allegheny) would prohibit health insurers from restricting payment to a participating health care provider via electronic credit cards with mandatory fees.

FEDS INITIATE AGENT MA COMPENSATION CHANGE

Published in the April 23 Federal Register (<https://www.govinfo.gov/content/pkg/FR-2024-04-23/pdf/2024-07105.pdf>) is a set of Rules for Medicare Advantage plans. These include coverage changes such as codifying the ten core chronic diseases (end-stage renal, Alzheimer's Disease, etc.). Of particular interest to insurance producers are changes in agent compensation. Generally, the Rule change will prohibit structured payments for agents and brokers which circumvent existing upper limits on compensation. Instead, a single, increased compensation rate will be set and reviewed annually. **NOTE:** These regulations are effective on June 3, 2024.

BIDEN ADMINISTRATION RESCINDS TRUMP AHP RULE

One of former President Trump's goals which sought to expand association health plans will be rescinded at the end of June. (April 30 Federal Register, (<https://public-inspection.federalregister.gov/2024-08985.pdf>)). Source: April 29 Bloomberg Daily Labor Report, Sara Hansard (shansard@bloomberglaw.com). Thanks to AHIP for alerting LEG REG Review as to this news.