

LEG REG REVIEW

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LEG REG REVIEW is a periodic newsletter produced by PHILLIPS ASSOCIATES, a professional lobbying and consultant firm located near the State Capitol. It contains news on Pennsylvania legislation and regulations impacting the Insurance and Business Communities. It is a free member benefit for those who are members of the Pennsylvania Association of Health Underwriters (PAHU). Subscriptions are \$100 per year and further information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 FAX 717/232-7005 or e-mail to xenobun@aol.com. Please email jtrout2792@aol.com supplying both your name and e-mail address if you wish to be removed from or added to this list. Whether it means meeting your CE need or helping with a particular problem/question, please visit our web site to explore how PHILLIPS ASSOCIATES may be of service to you, your employees and your clients. www.vphillipsassoc.com

WOLF ADMINISTRATION TAKES AIM AT ACA REPEAL

Cabinet officials in the Wolf Administration have taken aim at probable congressional repeal of the Affordable Care Act. Insurance Commissioner Teresa Miller was joined by Secretary of Health Dr. Karen Murphy, and Dept. of Human Services Secretary Ted Dallas February 22 to reference the numbers of Pennsylvanians who would be affected if Medicaid expansion was rescinded and the tax subsidies used by exchange enrollees were to end. According to Commissioner Miller, 1.1 million in the Commonwealth could lose their health insurance and millions more would lose benefits they receive because of the ACA.

In a related development, House Democratic Caucus Chair Dan Frankel (D-Allegheny) introduced legislation to examine specific impacts from ACA repeal. Under House Bill 476, the Affordable Care Act Repeal Study Commission would be established to:

- *Assess current and potential effects of any health care coverage loss, especially impact on individuals accessing drug treatment programs*
- *Estimate possible financial costs to consumers and health care providers by ACA repeal*
- *Examine measures to mitigate full or partial repeal*
- *Recommend laws and regulations that could minimize adverse impacts of repealing ACA*
- *Analyze alternative health care policies being considered by the U. S. Congress*

The Commission would be required to report in six months after passage. Members would include two appointees by the Senate President Pro Tempore, Senate Minority leader, Speaker of the House, and by the House Minority Leader. The Governor's two appointments would have "knowledge and experience in health care finance, hospital administration, insurance markets, health care delivery systems or consumer advocacy." HB 476 was referred to the House Health Committee.

PENN TREATY LIQUIDATION APPROVED

On March 1, Insurance Commissioner Teresa Miller announced that Commonwealth Court approved the petition to formally liquidate Penn Treaty Network America Insurance Company and American Network Insurance Company. At one time, Penn Treaty was a force in the long-term care insurance market. The two companies have 76,000 policyholders nationally with 9,000 living in PA. Claims from the liquidated entities are covered up to \$300,000 by the PA Property Casualty Insurance Guaranty Association (<http://www.ppciga.org/>). These claims are subsidized by an assessment to other carriers. Policyholders are asked to continue to make premium payments. Claims are to be submitted to Penn Treaty, PO Box 7066, Allentown, PA 18105, 800-362-0700

UPCOMING...is an informational hearing on the Hospital and Healthsystem Association of PA (HAP) before the House Health Committee March 15 in Harrisburg. It is expected to showcase hospitals' efforts re quality of care and HAP's selection to be part of the Hospital Improvement and Innovation Networks.

NFIP STUDY LISTS TOP POLICYHOLDER GRIPES

On February 28, the Flood Insurance Advocate's Office issued its 2016 Annual Report which listed six top policyholders' issues with the National Flood Insurance Program (NFIP). They are:

- *Erroneous designation of a property as a Severe Repetitive Loss (SRL) property which could pave the way for seizure and demolition*
- *Gaps in Flood Insurance Agent Education (One recommendation listed is to "explore" creation of NFIP Authorized Agents, similar to NFIP Authorized Adjusters.*
- *Consistency Across Regions in Mapping Outreach and Education*
- *Increased Compliance Costs*
- *Disagreements on Flood Zone Determination: Re-designating a property as part of a high-risk area costs the property owner thousands of additional dollars.*
- *Appropriate Refunds for canceled policies that were appropriately issued*

https://www.fema.gov/media-library-data/1488312443368-9d5425f19f29268c5158d45de0154732/4_2016annual_4pgs.pdf

INSURANCE DEPARTMENT APPROVES GRANDMOTHER STATUS IN PA

The PA Insurance Department on February 24 reinforced a CMS announcement that grand mothering could continue for some health insurance policies ending by December 31, 2018. The Department stressed however the importance of plans transiting into full-Affordable Care Act compliance but acknowledged the uncertainty of ACA's future in Washington, thus justifying an extension of transitional grand mothered policies.

REGULATORY UPDATE

- Workers' Compensation carriers were issued a Special Schedule W data call by the PA Insurance Department. April 15 is the submission deadline. Details: Bojan Zorkic 717-787-6968, bzorkic@pa.gov.
- The Insurance Department listed qualified reinsurer jurisdictions. For example, Bermuda Monetary Authority, the Central Bank of Ireland, Financial Services Agency of Japan, etc. Details: Kimberly Rankin, 717-783-6409, krankin@pa.gov
- Acting under the authority of the Motor Vehicle Physical Damage Appraiser Act, the PA Insurance Department listed its annual list of approved guide source providers. These vendors calculate the replacement value of total loss or unrecoverable vehicles. An example is the Auto Red Book. Full list is at www.pabulletin.com, February 25, 2017 (Notice 2017-03).
- Motorists Mutual Insurance Company filed an application with the PA Insurance Department to acquire HM Casualty Insurance Company.

INDUSTRY NOTES:

- Received March 4 was the postcard invitation to attend the 91st Annual Pittsburgh I-Day on April 5. Details: www.pittsburghiday.com
- June 12-13 marks the 16th Annual Workers' Compensation Conference in Hershey, PA. Details: 800-482-2383, www.dli.pa.gov (Click on Businesses, next click on Workers' Compensation Services, then click on Conferences, Seminars & Training.)
- Registration is open for the 2017 Claims Summit April 12 in Gettysburg offered by the PA Association of Mutual Insurance Companies (PAMIC). Details: <http://www.pamic.org/event-2474396>