

**LEG REG REVIEW**  
**2017, 21st Issue \*\*\* June 5, 2017**

*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](mailto:xenobun@aol.com). Please email [jtrout2792@aol.com](mailto:jtrout2792@aol.com) supplying both your name and e-mail address if you wish to be removed from or added to this list. Whether you need help meeting your CE or have a particular problem/question, please go to our web site to explore how PHILLIPS ASSOCIATES may be of service to you, your employees, and your clients. [www.vphillipsassoc.com](http://www.vphillipsassoc.com)*

**MILLER ANNOUNCES MINIMAL INCREASE FOR EXCHANGE PLANS**

On June 1, Commissioner Teresa Miller announced individual and small group premium requests for 2018. She stated that all of the five carriers offering had decided to continue offering policies in the exchange. The aggregate statewide rate requests for individual policies are 8.8 percent and 6.6 percent for small group policies. The notice said that company and plan-specific rate increases will be available July 21 at [www.insurance.pa.gov](http://www.insurance.pa.gov).

**PRESCRIPTION LIABILITY RESOLUTION INTRODUCED**

Former House Judiciary Committee Minority Chair and current Minority Chair of the House Consumer Affairs Committee Tom Caltagirone (D-Berks) introduced House Resolution 363 urging Governor Wolf and PA Attorney General Shapiro to file suit against drug manufacturing companies. The suit would claim that drug companies have responsibility for the opioid crisis in the Commonwealth.

The proposed lawsuit would be filed consistent with the legal arguments in Ohio's May 31, 2017, suit against five major manufacturers. Ohio charged drug companies with downplaying risks of addiction and encouraging use while knowing that long-term use of opioids can lead to heroin or worse. HR 363 was referred to the House Health Committee June 1.

**BUDGET NEWS**

May collections were somewhat better but the current fiscal year is still way short of projected revenues.

According to the PA Revenue Department June 1, May collections were four percent more than anticipated but year-to-date collections were \$28.4 billion, which is \$1.1 billion or 3.8% less than expected. There is one more month of the current fiscal year which ends June 30. With a \$1 billion or more shortfall, legislators will be even more pressed to develop a budget for the 2017-18 fiscal year beginning July 1<sup>st</sup> without tapping additional revenues or making significant cuts in many popular programs. The House already passed a Republican State Budget (House Bill 218) which sets the stage for heightened negotiations in the Senate. Some State Budget year-to-date numbers to note:

- *Sales Tax: \$9 billion, \$195.8 million below estimate (- 2.1%)*
- *Personal Income Tax: \$11.4 billion, \$362.7 million below estimate (-3.1%)*
- *Corporate Tax: \$4.2 billion, \$445 million below estimate (- 9.7%)*
- *Inheritance Tax: 855.3 million, \$25.1 million below estimate (- 2.9%)*
- *Realty Transfer Tax: \$424.2 million, \$67.8 million below estimate (-13.8%)*
- *Other General Fund revenues including taxes on cigarettes, other tobacco products, beer, liquor and table games: \$1.6 billion, \$15.4 million below estimate (-0.9%)*

**POLITICAL NOTE...**Easton financial analyst John Chrin announced his candidacy for the 2018 Republican nomination to face incumbent Democratic U.S. Representative Matt Cartwright in PA's 17<sup>th</sup> congressional district. Chrin is part of Circle Wealth Management investment advisory company.

#### **ROUGH NOTES ANNOUNCES AGENT ADVISOR MEMBERS**

In the May issue of Rough Notes magazine, a list was posted of the members comprising the Rough Notes Agent Advisory Board. There are seven Pennsylvanians including four from one company, Murray Securus in Lancaster. Members are:

- Ryan Neff, Richard Rankin, Peter Wengrenovich, and David Bradbury from Murray Securus.
- Lew Kachulis, Gilbert's Risk Solutions, Sharon, PA
- Lisa Parry, William B. Parry & Son, Langhorne, PA
- Scott Addis, Beyond Insurance, King of Prussia, PA

#### **INSURANCE DEPARTMENT RELEASES MARKET REGULATION NUMBERS**

The PA Insurance Department released its Office of Market Regulation report for 2017 through April which said that 27,505 consumers received restitution totaling \$39.56 million. The same report also pointed to \$2.257 million in fines from companies and insurance producers.

#### **REGULATORY UPDATE**

- Hiscox Insurance Company (Bermuda), Ltd. is seeking PA Insurance Department designation as a certified reinsurer.
- Patient Safety Authority (MCARE) meets June 13 in Summerdale, PA. Details: 717-346-0469
- June 19 is the last day to file for PA Department of Revenue's Tax Amnesty program. According to the Department, taxpayers who apply and pay back taxes by that date will see all penalties waived and the interest cut in half. Details: 844-727-8283, [www.backtax.pa.gov](http://www.backtax.pa.gov)

#### **AGENCY UNIFICATION WEBSITE LAUNCHED**

The Wolf Administration launched a public relations website designed to inform the public about its proposed plan to merge the Departments of Health, Aging, Human Services, and Drug & Alcohol Abuse Programs into one Department of Health & Human Services (HHS). The website offers *“myriad information to learn more about this initiative by reviewing draft legislation, diving deep into the HHS draft organizational charts, and giving the public an opportunity to weigh in with their own thoughts and ideas.”* Details: [governor.pa.gov/hhs](http://governor.pa.gov/hhs)

## UPCOMING

- The National Flood Insurance Program (NFIP) has another free no CE credit agent webinar June 7 from 2-4:00 p.m. on FEMA Mapping Changes Details: [nfiptraininginfo@h20partnersusa.com](mailto:nfiptraininginfo@h20partnersusa.com)
- The Final Lehigh Valley I-Day is scheduled for November 9, 2017. Last year, organizers decided to cancel the series but reconsidered. It will be a shorter event, just CE and a lunch, and there will not be the usual exhibits. Details: Roberta Kates, [rkates@arborig.com](mailto:rkates@arborig.com) and Michelle Grace [mgrace@arborig.com](mailto:mgrace@arborig.com)

**BILLS TO WATCH THIS WEEK...**House Bill 1346 (Pyle-R-Indiana/Armstrong/Butler) would **regulate drone use** and make it illegal to use unmanned aircraft to knowingly conduct surveillance on a person, operate a drone where a person has a reasonable fear of injury, or to deliver contraband to prisoners. Rep. Pyle's sponsorship memo says that the Federal Aviation Administration (FAA) has reviewed the bill's language. It is to be voted on June 7 by the House Judiciary Committee....Two bills regulating plumbing contractors will be considered by committees in the House (June 7) and Senate (June 6). In addition to setting up a regulatory framework, the legislation also **requires plumbers to carry liability insurance**. Bill numbers are House Bill 442 (Christiana-R-Beaver/Washington) and Senate Bill 183 (McGarrigle-R-Delaware/Chester). A bill **limiting liability for property owners who have recreational trails** will be taken up June 6 by the House Tourism & Recreational Development Committee. House Bill 544 is sponsored by Rep. Dan Moul (R-Adams).