

THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

No. 207 Session of  
2007

INTRODUCED BY PICKETT, BAKER, BEYER, BOYD, CALTAGIRONE, CLYMER, COX, CUTLER, DALLY, DeLUCA, FABRIZIO, GEIST, GEORGE, GIBBONS, GINGRICH, GOODMAN, GRUCELA, HARPER, HENNESSEY, HERSHEY, JAMES, JOSEPHS, MANDERINO, MARSICO, McILHATTAN, MELIO, MILLARD, MUNDY, MUSTIO, PHILLIPS, PYLE, RAPP, REICHLEY, ROHRER, RUBLEY, SABATINA, SAYLOR, SCHRODER, SIPTROTH, SOLOBAY, SONNEY, STABACK, STERN, R. STEVENSON, SWANGER, WALKO, WANSACZ, WATSON AND YOUNGBLOOD, FEBRUARY 5, 2007

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 5, 2007

## AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," providing for professional and  
12 trade association rate protection.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known  
16 as The Insurance Company Law of 1921, is amended by adding a  
17 section to read:

18 Section 633.1. Professional and Trade Association Rate  
19 Protection.--(a) An insurer that offers group health, sickness  
20 and accident insurance policies, and all other forms of managed

1 or capitated care plans or policies or subscriber contracts in  
2 this Commonwealth to members of a professional or trade  
3 association on or after the effective date of this section shall  
4 base the premiums for association members based upon actual  
5 claims and expense experience for such group provided that the  
6 association's membership is comprised of at least fifty  
7 individuals.

8 (b) This section does not include the following policies:

9 (1) Accident only.

10 (2) Fixed indemnity.

11 (3) Limited benefit.

12 (4) Credit.

13 (5) Dental.

14 (6) Vision.

15 (7) Specified disease.

16 (8) Medicare supplement.

17 (9) CHAMPUS (Civilian Health and Medical Program for the  
18 Uniformed Services) supplement.

19 (10) Long-term care.

20 (11) Disability income.

21 (12) Workers' compensation.

22 (13) Automobile medical payment.

23 (c) As used in this section:

24 (1) "Insurer" means any entity subject to this act, the act  
25 of December 29, 1972 (P.L.1701, No.364), known as the "Health  
26 Maintenance Organization Act," or 40 Pa.C.S. Ch. 61 (relating to  
27 hospital plan corporations) or 63 (relating to professional  
28 health services plan corporations).

29 (2) "Professional or trade association" means a bona fide  
30 organization whose membership consists of businesses associated

1 together for legitimate purposes of mutual benefit or lawful  
2 convenience that purchases insurance on a group basis on behalf  
3 of members. An association cannot be formed for the sole purpose  
4 of purchasing insurance.

5       Section 2. This act shall take effect immediately.