

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1212 Session of
2007

INTRODUCED BY BAKER, ARMSTRONG, FOLMER, CORMAN, PUNT, COSTA,
WOZNIAK, ORIE, ERICKSON, C. WILLIAMS, O'PAKE, GREENLEAF,
EARLL, RAFFERTY, WAUGH, D. WHITE, FERLO, BROWNE, REGOLA AND
BOSCOLA, DECEMBER 10, 2007

REFERRED TO BANKING AND INSURANCE, DECEMBER 10, 2007

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as
2 amended, "An act relating to insurance; establishing an
3 insurance department; and amending, revising, and
4 consolidating the law relating to the licensing,
5 qualification, regulation, examination, suspension, and
6 dissolution of insurance companies, Lloyds associations,
7 reciprocal and inter-insurance exchanges, and certain
8 societies and orders, the examination and regulation of fire
9 insurance rating bureaus, and the licensing and regulation of
10 insurance agents and brokers; the service of legal process
11 upon foreign insurance companies, associations or exchanges;
12 providing penalties, and repealing existing laws," providing
13 for small business health plans.

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

16 Section 1. Article VI-A of the act of May 17, 1921 (P.L.789,
17 No.285), known as The Insurance Department Act of 1921, is
18 amended by adding a subarticle to read:

SUBARTICLE D

SMALL BUSINESS HEALTH PLANS

21 Section 699.11-A. Small business health insurance.

22 Notwithstanding any other provision of law, the department

1 shall permit a group of ten or more employers belonging to the
2 same nonprofit business coalition to pool their health-related
3 liabilities in order to qualify as self-insurer, if the group
4 complies with the provisions of this subarticle and the Employee
5 Retirement Income Security Act of 1974 (Public Law 93-406, 88
6 Stat. 829).

7 Section 699.12-A. Coalition.

8 Employers may seek to qualify under section 699.11-A if the
9 nonprofit business coalition to which they belong meets all of
10 the following requirements:

11 (1) It has been in existence for at least three years.

12 (2) It has a charter or bylaws.

13 (3) It has members that support it through payment of
14 annual, semiannual, quarterly or monthly dues.

15 (4) It was created for a legitimate business purpose
16 other than qualifying under section 699.11-A.

17 Section 699.13-A. Exemptions.

18 Notwithstanding any other provision of law and except as
19 provided in this subarticle, a group licensed as a self-insurer
20 under section 699.11-A shall be exempt from providing State-
21 mandated health benefits and from the solvency requirements of
22 State law.

23 Section 699.14-A. Regulations.

24 The department shall promulgate rules and regulations to
25 implement this subarticle.

26 Section 2. This act shall take effect immediately.