

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 235 Session of 2009

INTRODUCED BY PICKETT, BAKER, BEAR, BOYD, CALTAGIRONE, CAUSER, CLYMER, CREIGHTON, CUTLER, ELLIS, FABRIZIO, FLECK, GEIST, GEORGE, GIBBONS, GINGRICH, GOODMAN, GROVE, GRUCELA, HENNESSEY, HESS, M. KELLER, LONGIETTI, MELIO, MILLARD, MILNE, MUSTIO, PHILLIPS, PYLE, RAPP, READSHAW, REICHLEY, ROHRER, SCAVELLO, SIPTROTH, STABACK, STERN, STEVENSON, SWANGER, VULAKOVICH, WALKO, WANSACZ, WATSON, YOUNGBLOOD AND MOUL, FEBRUARY 4, 2009

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 4, 2009

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," in casualty insurance, providing
 12 for professional and 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) Hospital 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.