

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 716 Session of 2011

INTRODUCED BY HARHAI, CALTAGIRONE, FABRIZIO, HALUSKA, JOSEPHS,
MURT AND YOUNGBLOOD, FEBRUARY 16, 2011

REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 16, 2011

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," further
13 providing for definitions.

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

16 Section 1. The definition of "company action level event" in
17 section 501-B of the act of May 17, 1921 (P.L.789, No.285),
18 known as The Insurance Department Act of 1921, added June 22,
19 2000 (P.L.457, No.62), is amended to read:

20 Section 501-B. Definitions.--The following words and phrases
21 when used in this article shall have, unless the context clearly
22 indicates otherwise, the meanings given to them in this section:

23 * * *

"Company action level event" means any of the following events:

(1) Filing of an RBC report that indicates that the health organization's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC.

(1.1) Filing of an RBC report that indicates the health organization's total adjusted capital is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 3.0 and the health organization's trend test result triggers regulatory attention as determined in accordance with the Trend Test Calculation included in the RBC instructions.

(2) Notification by the Insurance Department to a health organization of an adjusted RBC report that indicates an event under paragraph (1) or (1.1).

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Section 2. This act shall take effect in 60 days.