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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE RESOLUTION

## No. 21

Session of  
1975

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INTRODUCED BY MESSRS. BUTERA, RENNINGER AND CESSAR,  
JANUARY 29, 1975

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REFERRED TO COMMITTEE ON RULES, JANUARY 29, 1975

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In the House of Representatives, January 29, 1975

1       Effective June 30, 1948, the Congress of the United States  
2       declared that "the continued regulation and taxation by the  
3       several States of the business of insurance is in the public  
4       interest and that silence on the part of the Congress shall not  
5       be construed to impose any barrier to the regulation or taxation  
6       of such business by the several States."

7       The purpose of this congressional declaration was to inform  
8       the States that, to the extent that the insurance business is  
9       regulated by the States in the public interest in a manner that  
10      is not essentially inconsistent with the provisions of certain  
11      Federal Laws, including the Sherman Anti Trust Act, the National  
12      Labor Relations Act and the Fair Labor Standards Act, the  
13      Congress would not interfere with the continued regulation and  
14      taxation of the insurance business by the States.

15      Pennsylvania's Insurance Department Act was originally passed  
16      in 1921, as was the Insurance Company Law. Although amended from  
17      time to time, there is a reasonable possibility that these acts

1 may not be, in many respects, responsive to the needs of the  
2 public in 1973 and the future.

3 Since 1921, even since 1948, we have seen many significant  
4 and important changes in the insurance business in the area of  
5 policy forms, marketing techniques, rate making and even  
6 ownership. Some of the changes were in the public interest,  
7 others may not have been.

8 Since 1921, even since 1948, we have seen many significant  
9 and important changes in the life style of our people, conduct  
10 of business generally, technology and risks or hazards of loss  
11 to which people are exposed. In many instances the insurance  
12 business has responded to the challenge and met it. In other  
13 instances problems have not been solved and will not go away by  
14 being ignored. Piecemeal reaction to chronic problems that  
15 become critical is not a suitable answer.

16 It is past time that the insurance laws of Pennsylvania and  
17 the administration of those laws be subjected to a comprehensive  
18 review to ascertain their adequacy and relevancy to these  
19 changing times; therefore be it

20 RESOLVED, That the Chairman of the Committee on Consumer  
21 Protection appoint a select committee composed of four Democrats  
22 and three Republicans from among the members of the committee to  
23 review the regulation and taxation of the insurance business in  
24 the Commonwealth of Pennsylvania to determine whether or not  
25 present regulatory laws of the Commonwealth continue to be in  
26 the public interest; and be it further

27 RESOLVED, That the committee review, examine and investigate  
28 the implementation of section 2404.1 of The Administrative Code  
29 of 1929, and the ways and means of purchasing insurance for the  
30 Commonwealth of Pennsylvania, its agencies, boards, commissions

1 and authorities; and be it further

2       RESOLVED, That the committee may hold hearings, take  
3 testimony, and make its investigation at such places as it deems  
4 necessary within this Commonwealth. It may issue subpoenas under  
5 the hand and seal of its chairman commanding any person to  
6 appear before it and to answer questions touching matters  
7 properly being inquired into by the committee and to produce  
8 such books, papers, records and documents as the committee deems  
9 necessary. Such subpoenas may be served upon any person and  
10 shall have the force and effect of subpoenas issued out of the  
11 courts of this Commonwealth. Any person who wilfully neglects or  
12 refuses to testify before the committee or to produce any books,  
13 papers, records or documents, shall be subject to the penalties  
14 provided by the laws of the Commonwealth in such case. Each  
15 member of the committee shall have power to administer oaths and  
16 affirmations to witnesses appearing before the committee; and be  
17 it further

18       RESOLVED, That within thirty calendar days after the  
19 committee has made its report, the chairman of the committee  
20 shall cause a record of all expenses incurred by the committee,  
21 or the members thereof, which are payable at Commonwealth  
22 expense, to be filed with the Speaker of the House and the  
23 Speaker shall cause the same to be entered in the journal  
24 thereof. No expenses incurred by the committee or any member  
25 thereof shall be reimbursable by the Chief Clerk unless such  
26 expense shall first have been included as an expense item in the  
27 record heretofore required; and be it further

28       RESOLVED, That the committee report its findings to the  
29 General Assembly as soon as possible.