

THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE RESOLUTION

## No. 291

Session of  
1976

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INTRODUCED BY ZEARFOSS AND A. K. HUTCHINSON, JUNE 30, 1976

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REFERRED TO COMMITTEE ON RULES, JUNE 30, 1976

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In the House of Representatives, June 30, 1976

1 Many questions have arisen as to the present methods of  
2 handling claims against insolvent insurers; therefore be it

3 RESOLVED, That the subcommittee on Insurance of the Committee  
4 of Consumer Protection be directed to investigate and determine:

5 1. whether the growing reliance upon insolvency mechanisms  
6 is counterproductive to sound regulation of insurers;

7 2. whether the existence of a means by which policyholders  
8 and claimants are protected after insolvency permits or  
9 encourages careless or misguided regulation which fails to  
10 prevent insolvencies;

11 3. whether, if such insolvency mechanisms are desirable, a  
12 pre-insolvency fund created through policyholder contribution or  
13 a post-insolvency assessment approach is preferable;

14 4. whether a pre-insolvency fund invites invasion and  
15 depletion by the State for non-insolvency purposes; and

16 5. whether protection against property liability  
17 insolvencies should be treated differently from life, annuity  
18 and accident and health insolvencies as now occurs, or whether a

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

17       RESOLVED, That within 30 calendar days after the committee  
18 has made its report, the chairman of the committee shall cause a  
19 record of all expenses incurred by the committee, or the members  
20 thereof, which are payable at Commonwealth expense, to be filed  
21 with the Speaker of the House and the Speaker shall cause the  
22 same to be entered in the journal thereof. No expenses incurred  
23 by the committee or any member thereof shall be reimbursable by  
24 the Chief Clerk unless such expense shall first have been  
25 included as an expense item in the record heretofore required;  
26 and be it further

27       RESOLVED, That the subcommittee report its findings and  
28 recommendations to the General Assembly as soon as possible.