

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 207 Session of  
2007

INTRODUCED BY PICKETT, BAKER, BEYER, BOYD, CALTAGIRONE, CLYMER, COX, CUTLER, DALLY, DeLUCA, FABRIZIO, GEIST, GEORGE, GIBBONS, GINGRICH, GOODMAN, GRUCELA, HARPER, HENNESSEY, HERSHEY, JAMES, JOSEPHS, MANDERINO, MARSICO, McILHATTAN, MELIO, MILLARD, MUNDY, MUSTIO, PHILLIPS, PYLE, RAPP, REICHLEY, ROHRER, RUBLEY, SABATINA, SAYLOR, SCHRODER, SIPTROTH, SOLOBAY, SONNEY, STABACK, STERN, R. STEVENSON, SWANGER, WALKO, WANSACZ, WATSON, YOUNGBLOOD, DALEY, BENNINGTON AND DENLINGER, FEBRUARY 5, 2007

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 22, 2007

## 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," providing for professional and  
12 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

and accident insurance policies, and all other forms of managed or capitated care plans or policies or subscriber contracts in this Commonwealth to members of a professional or trade association on or after the effective date of this section shall base the premiums for association members based upon actual claims and expense experience for such group provided that the association's membership is comprised of at least fifty individuals.

(b) This section does not include the following policies:

(1) Accident only.

(2) ~~Fixed~~ HOSPITAL indemnity.

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(3) Limited benefit.

(4) Credit.

(5) Dental.

(6) Vision.

(7) Specified disease.

(8) Medicare supplement.

(9) CHAMPUS (Civilian Health and Medical Program for the Uniformed Services) supplement.

(10) Long-term care.

(11) Disability income.

(12) Workers' compensation.

(13) Automobile medical payment.

(c) As used in this section:

(1) "Insurer" means any entity subject to this act, the act of December 29, 1972 (P.L.1701, No.364), known as the "Health Maintenance Organization Act," or 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations) or 63 (relating to professional health services plan corporations).

(2) "Professional or trade association" means a bona fide

1 organization whose membership consists of businesses associated  
2 together for legitimate purposes of mutual benefit or lawful  
3 convenience that purchases insurance on a group basis on behalf  
4 of members. An association cannot be formed for the sole purpose  
5 of purchasing insurance.

6       Section 2. This act shall take effect immediately.