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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 1713** Session of  
1983

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INTRODUCED BY MAYERNIK, COHEN, BELFANTI, PETRONE, PISTELLA AND  
AFFLERBACH, NOVEMBER 29, 1983

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REFERRED TO COMMITTEE ON LABOR RELATIONS, NOVEMBER 29, 1983

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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," further providing for workmen's  
12 compensation insurance.

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 656. Premium Rates.--(a) Notwithstanding any  
19 provision of this act, the Insurance Commissioner shall approve  
20 all premium rates for workmen's compensation insurance. These  
21 rates shall not be excessive, inadequate or unfairly  
22 discriminatory. The commissioner shall, in determining rates,

1 cause those rates to fully reflect all of the following factors:

2 (1) Actual loss and expense experience within this  
3 Commonwealth for the most recent three (3) year period for which  
4 the information is available.

5 (2) Prospective loss and expense experience within this  
6 Commonwealth.

7 (3) Investment income earned or realized by insurers from  
8 their unearned premium, loss and loss expense reserve funds  
9 generated from the sale of workmen's compensation insurance  
10 within this Commonwealth.

11 (b) Insurers shall provide the commissioner with any and all  
12 information which he deems necessary to arrive at the  
13 determination required by this section.

14 (c) In addition to this and other information that the  
15 commissioner requests pursuant to this section, the rating  
16 bureau shall:

17 (1) separate the incurred but not reported losses of its  
18 members;

19 (2) separate paid and outstanding losses of its members;

20 (3) provide information indicating cases in which its  
21 members have established reserve amounts in excess of fifty  
22 thousand dollars (\$50,000); and

23 (4) provide information on the income on invested reserves  
24 of its members.

25 (d) The commissioner shall consider this information in an  
26 appropriate manner in adopting a schedule of rates which fully  
27 reflect the investment earnings of insurers which arise from  
28 revenues derived from the sale of workmen's compensation in this  
29 Commonwealth.

30 Section 2. All acts and parts of acts are repealed insofar

1 as they are inconsistent with this act.

2 Section 3. This act shall apply to all policies of workmen's  
3 compensation insurance issued for periods commencing on and  
4 after January 1, 1984.

5 Section 4. This act shall take effect immediately.