

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2331 Session of  
2005

INTRODUCED BY ZUG, BOYD, BUNT, CALTAGIRONE, CLYMER, GEIST,  
GEORGE, GINGRICH, GOODMAN, HERMAN, HERSHEY, JAMES, MARSICO,  
MUNDY, MUSTIO, READSHAW, REICHLEY, SAYLOR, SONNEY,  
E. Z. TAYLOR, WANSACZ AND YOUNGBLOOD, DECEMBER 14, 2005

REFERRED TO COMMITTEE ON INSURANCE, DECEMBER 14, 2005

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  
20 and accident insurance policies, and all other forms of managed  
21 or capitated care plans or policies or subscriber contracts in  
22 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 indemnity.

(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  
organization whose membership consists of businesses associated  
together for legitimate purposes of mutual benefit or lawful  
convenience that purchases insurance on a group basis on behalf

1 of members. An association cannot be formed for the sole purpose  
2 of purchasing insurance.

3     Section 2. This act shall take effect immediately.