
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1658 Session of
2011

INTRODUCED BY DeLUCA, BRENNAN, D. COSTA, MAHONEY, WHITE,
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TAYLOR, DONATUCCI AND DENLINGER, JUNE 14, 2011

REFERRED TO COMMITTEE ON INSURANCE, JUNE 14, 2011

AN ACT

1 Providing for truth in insurance advertising over the Internet.

2 The General Assembly of the Commonwealth of Pennsylvania

3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Truth in

6 Insurance Advertising over the Internet Act.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall

9 have the meanings given to them in this section unless the

10 context clearly indicates otherwise:

11 "Commissioner." The Insurance Commissioner of the

12 Commonwealth.

13 "Department." The Insurance Department of the Commonwealth.

14 "Institutional advertisement." A general advertisement of an

15 insurer or producer that is intended to promote interest in the

16 concept of insurance or to promote a producer or insurer. The

term includes pages on an Internet website that do not refer to a specific insurance policy, certificate of coverage or evidence of coverage or that do not provide an opportunity for an individual to apply for coverage or to request a quote.

"Insurer." An insurance company, association, exchange, interinsurance exchange, health maintenance organization, preferred provider organization, professional health services plan corporation subject to 40 Pa.C.S. Ch. 63 (relating to professional health services plan corporations), hospital plan corporation subject to 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations), fraternal benefit society, beneficial association, Lloyd's insurer or health plan corporation.

"Producer." A person required to be licensed under the laws of this Commonwealth to sell, solicit or negotiate insurance. Section 3. Internet advertisements for insurance.

(a) Requirement.--A web page of an insurer's Internet website shall include the appropriate disclosures and information required by applicable rules and regulations adopted by the department relating to advertising only if the web page:

(1) describes specific policies or coverage available in this Commonwealth; or

(2) includes an opportunity for an individual to apply for coverage or obtain a quote from an insurer for an insurance policy or certificate or other evidence of coverage.

(b) Compliance with requirement.--An insurer may comply with subsection (a) by including a link to a web page that includes the information necessary to comply with the applicable rules relating to advertising. The link permitted under this subsection shall be prominently placed on the insurer's web

1 page.

2 (c) Institutional advertisements.--

3 (1) Web pages of an Internet website that do not refer
4 to a specific insurance policy, certificate of coverage or
5 evidence of coverage or that do not provide an opportunity
6 for an individual to apply for coverage or request a quote
7 from an insurer are considered to be institutional
8 advertisements subject to the regulations adopted by the
9 department relating to advertising.

10 (2) Web pages or navigation aids within an insurer's
11 Internet website that provide a link to a web page described
12 by subsection (a) but that do not otherwise contain content
13 described in subsection (b) are considered to be
14 institutional advertisements subject to rules adopted by the
15 department relating to advertising.

16 Section 4. Advertisements relating to Medicare program.

17 A person may not use an advertisement for an insurance
18 product relating to Medicare coverage unless the advertisement
19 includes, in a prominent place, the following language or
20 similar language: Not connected with or endorsed by the United
21 States Government or the Federal Medicare program.

22 Section 5. Advertisements relating to preferred provider
23 benefit plans.

24 It is sufficient for an insurer to use the term "PPO plan" in
25 advertisements when referring to a preferred provider benefit
26 plan offered under the act of May 17, 1921 (P.L.682, No.284),
27 known as The Insurance Company Law of 1921.

28 Section 6. Advertising regarding guaranteed renewable coverage.

29 (a) Required statement.--An advertisement for a guaranteed
30 renewable accident and health insurance policy shall include, in

1 a prominent place, a statement indicating that rates for the
2 policy may change if the advertisement suggests or implies that
3 rates for the product will not change.

4 (b) Identifying the manner of change.--If an advertisement
5 is required to include the statement described by subsection
6 (a), the statement shall generally identify the manner in which
7 rates may change, such as by age, by health status, by class or
8 through application of other general criteria.

9 Section 7. Enforcement.

10 Upon a determination by hearing that this act has been
11 violated, the commissioner may pursue one or more of the
12 following courses of action:

13 (1) Issue an order requiring the person in violation to
14 cease and desist from engaging in the violation.

15 (2) Suspend or revoke or refuse to issue or renew the
16 certificate or license of the person in violation.

17 (3) Impose a civil penalty of not more than \$5,000 for
18 each violation.

19 (4) Impose any other penalty or remedy deemed
20 appropriate by the commissioner, including restitution.

21 Section 8. Remedies.

22 The enforcement remedies imposed under this section are in
23 addition to other remedies or penalties that may be imposed by
24 any other applicable statute, including the act of July 22, 1974
25 (P.L.589, No.205), known as the Unfair Insurance Practices Act.
26 Violations of this act are deemed and defined by the
27 commissioner to be an unfair method of competition and an unfair
28 or deceptive act or practice under the Unfair Insurance
29 Practices Act.

30 Section 9. Private cause of action.

1 Nothing in this act shall be construed to create or imply a
2 private cause of action for a violation of this act.

3 Section 10. Rules and regulations.

4 The department shall promulgate rules and regulations
5 necessary for the administration and enforcement of this act.

6 Section 20. Effective date.

7 This act shall take effect in 60 days.