
 THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1851 Session of
2017

INTRODUCED BY PICKETT, BAKER, SCHLEGEL CULVER, DeLUCA, MILLARD,
WARD, D. COSTA, BRADFORD, M. QUINN, WHEELAND AND ROTHMAN,
OCTOBER 10, 2017

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 21, 2018

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled "An
2 act relating to insurance; establishing an insurance
3 department; and amending, revising, and consolidating the law
4 relating to the licensing, qualification, regulation,
5 examination, suspension, and dissolution of insurance
6 companies, Lloyds associations, reciprocal and inter-
7 insurance exchanges, and certain societies and orders, the
8 examination and regulation of fire insurance rating bureaus,
9 and the licensing and regulation of insurance agents and
10 brokers; the service of legal process upon foreign insurance
11 companies, associations or exchanges; providing penalties,
12 and repealing existing laws," in examinations, further
13 providing for purpose AND FOR DEFINITIONS and providing for <--
14 scheduling conference, for budget estimate and revisions, for
15 billing invoices and for annual examination and analysis
16 report. AND FOR THE PENNSYLVANIA PROFESSIONAL LIABILITY JOINT <--
17 UNDERWRITING ASSOCIATION; AND MAKING A RELATED REPEAL.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 ~~Section 1. Section 901 of the act of May 17, 1921 (P.L.789, <--~~
21 ~~No.285), known as The Insurance Department Act of 1921, is~~
22 ~~amended to read:~~

23 SECTION 1. SECTIONS 901 AND 902 OF THE ACT OF MAY 17, 1921 <--
24 (P.L.789, NO.285), KNOWN AS THE INSURANCE DEPARTMENT ACT OF

1 1921, ARE AMENDED TO READ:

2 Section 901. Purpose.--The purpose of this article is to
3 provide an effective and efficient system for examining the
4 activities, operations, financial condition and affairs of all
5 persons transacting the business of insurance in this
6 Commonwealth and all persons otherwise subject to the
7 jurisdiction of the department. The provisions of this article
8 are intended to enable the department to adopt a flexible system
9 of examinations which directs resources as may be deemed
10 appropriate and necessary for the administration of the
11 insurance and insurance related laws of this Commonwealth. This
12 article recognizes the commitment of the department to work with
13 the insurance industry to utilize the most efficient means to
14 conduct examinations, minimize costs, facilitate cooperation and
15 communication between insurers and the department, increase
16 transparency and increase efficiencies to the greatest extent
17 possible.

18 SECTION 902. DEFINITIONS.--THE FOLLOWING WORDS AND PHRASES <--
19 WHEN USED IN THIS ARTICLE SHALL HAVE, UNLESS THE CONTEXT CLEARLY
20 INDICATES OTHERWISE, THE MEANINGS GIVEN TO THEM IN THIS SECTION:

21 "COMMISSIONER" MEANS THE INSURANCE COMMISSIONER OF THE
22 COMMONWEALTH.

23 "COMPANY" MEANS ANY PERSON ENGAGING IN OR PROPOSING OR
24 ATTEMPTING TO ENGAGE IN ANY TRANSACTION OR KIND OF INSURANCE OR
25 SURETY BUSINESS AND ANY PERSON OR GROUP OF PERSONS WHO MAY
26 OTHERWISE BE SUBJECT TO THE ADMINISTRATIVE OR REGULATORY
27 AUTHORITY OF THE INSURANCE DEPARTMENT. THE TERM INCLUDES THE
28 PENNSYLVANIA PROFESSIONAL LIABILITY JOINT UNDERWRITING
29 ASSOCIATION ESTABLISHED IN SECTION 731 OF THE ACT OF MARCH 20,
30 2002 (P.L.154, NO.13), KNOWN AS THE MEDICAL CARE AVAILABILITY

1 AND REDUCTION OF ERROR (MCARE) ACT.

2 "DEPARTMENT" MEANS THE INSURANCE DEPARTMENT OF THE
3 COMMONWEALTH.

4 "EXAMINER" MEANS ANY INDIVIDUAL OR FIRM HAVING BEEN
5 AUTHORIZED BY THE INSURANCE DEPARTMENT TO CONDUCT AN EXAMINATION
6 UNDER THIS ARTICLE.

7 "INSURER" MEANS ANY INDIVIDUAL, CORPORATION, ASSOCIATION,
8 PARTNERSHIP, RECIPROCAL EXCHANGE, INTER-INSURER, LLOYDS INSURER,
9 FRATERNAL BENEFIT SOCIETY, BENEFICIAL ASSOCIATION AND ANY OTHER
10 LEGAL ENTITY ENGAGED IN THE BUSINESS OF INSURANCE, INCLUDING
11 AGENTS, BROKERS AND ADJUSTERS AND ALSO MEANS HEALTH CARE PLANS
12 AS DEFINED IN 40 PA.C.S. CHS. 61 (RELATING TO HOSPITAL PLAN
13 CORPORATIONS), 63 (RELATING TO PROFESSIONAL HEALTH SERVICES PLAN
14 CORPORATIONS), 65 (RELATING TO FRATERNAL BENEFIT SOCIETIES) AND
15 67 (RELATING TO BENEFICIAL SOCIETIES) AND THE ACT OF DECEMBER
16 29, 1972 (P.L.1701, NO.364), KNOWN AS THE "HEALTH MAINTENANCE
17 ORGANIZATION ACT." FOR PURPOSES OF THIS ARTICLE, HEALTH CARE
18 PLANS, FRATERNAL BENEFIT SOCIETIES AND BENEFICIAL SOCIETIES
19 SHALL BE DEEMED TO BE ENGAGED IN THE BUSINESS OF INSURANCE.

20 "NAIC" MEANS THE NATIONAL ASSOCIATION OF INSURANCE
21 COMMISSIONERS.

22 "PERSON" MEANS ANY INDIVIDUAL, AGGREGATION OF INDIVIDUALS,
23 TRUST, ASSOCIATION, PARTNERSHIP OR CORPORATION OR ANY AFFILIATE
24 THEREOF. THE TERM SHALL EXCLUDE AGENTS.

25 Section 2. The act is amended by adding sections to read:

26 Section 904.1. Scheduling Conference.--Prior to commencing
27 examination field work under this article, the department shall
28 hold a scheduling conference with a company to discuss the
29 following:

30 (1) The purpose and scope of the examination.

1 (2) The estimated costs for the examination.

2 (3) The types of information that the company will be asked
3 to produce.

4 (4) The most efficient means of conducting the examination.

5 (5) Any alternative approaches in conducting the examination
6 that would be more convenient, less burdensome or less expensive
7 for the company while still providing for an effective
8 examination by the department.

9 Section 904.2. Budget Estimate and Revisions.--(a) No more
10 than thirty days after the scheduling conference under section
11 904.1 has been conducted, the department shall provide the
12 company with a detailed written budget estimate for the
13 examination that must, for each forthcoming phase of the
14 examination, as appropriate:

15 (1) Identify the individuals or firms performing the
16 examination and their daily or hourly rates.

17 (2) Provide an estimate of travel, lodging, meal and other
18 administrative or supply costs.

19 (3) Estimate the length of time to conduct on-site and off-
20 site examination activities.

21 (b) Within fifteen days of receipt of a budget estimate
22 under subsection (a), the company and the department shall have
23 an additional discussion regarding the most efficient means of
24 conducting the examination and producing information. If
25 necessary, revisions of the budget estimate shall be made.

26 (c) The time periods under subsections (a) and (b) may be
27 extended if the company and the department mutually agree to the
28 extension.

29 (d) At any time during the examination, the department shall
30 hold another scheduling conference with the company in

1 accordance with section 904.1 and provide a revised budget
2 estimate as set forth in subsection (a) if:

3 (1) the department determines that the cost of the
4 examination will exceed the budget estimate by more than ten per
5 centum; or

6 (2) there is a material change in staffing assignments.

7 Section 904.3. Billing Invoices.--(a) The following shall
8 apply for each billing invoice submitted to a company regarding
9 examination work:

10 (1) An invoice which is submitted by a contractor of the
11 department must contain an itemized and detailed description of
12 charges on a quarterly hour basis by the examiner, including the
13 applicable billing rates and a per charge description of related
14 travel or other expenses.

15 (2) An invoice which is submitted by the department directly
16 must contain instructions on how a company may obtain an
17 itemized and detailed description of the charges.

18 (3) An invoice shall be submitted to a company on a monthly
19 basis as soon as practicable but no later than sixty days after
20 the date on which the billed activity was performed.

21 (4) An invoice must provide a due date of no fewer than
22 thirty days after the bill is submitted to the company.

23 (5) An invoice must contain an explanation of the invoicing
24 process and the procedure for resolving billing disputes.

25 (b) To the extent possible, the department shall follow the
26 procedures under subsection (a) for billing invoices submitted
27 by third-party consultants retained as described under section
28 905.1(a)(2), (3), (4), (5) or (6).

29 Section 905.1. Annual Examination and Analysis Report.--(a)
30 Within thirty days of the end of each fiscal year, the

1 department shall publish a report setting forth, for the
2 immediately prior fiscal year, the total amount of money billed
3 to companies by the department and its contractors retained in
4 each of the following categories:

5 (1) Financial examinations conducted under section 904.

6 (2) Market conduct examinations conducted under section 904.

7 (3) Examinations conducted under section 1406 of the act of
8 May 17, 1921 (P.L.682, No.284), known as "The Insurance Company
9 Law of 1921."

10 (4) The review of transactions under any of the following
11 sections of "The Insurance Company Law of 1921":

12 (i) Section 803-A.

13 (ii) Section 807-A.

14 (iii) Section 1402.

15 (iv) Section 1405.

16 (5) The solvency monitoring of companies under any of the
17 following:

18 (i) Section 507-A.

19 (ii) Section 506-B.

20 (iii) Section 2607 of "The Insurance Company Law of 1921."

21 (6) Other subsequently enacted statutory provisions that
22 provide for the retention of third-party consultants.

23 (b) The report under this section must:

24 (1) separately list the identity of each contractor retained
25 by the department and the amount of money billed by the
26 contractor to companies;

27 (2) disclose the total amount of deposits into the Insurance
28 Regulation and Oversight Fund under section 4(a)(3) of the act
29 of July 2, 2013 (P.L.255, No.46), known as the "Insurance
30 Regulation and Oversight Fund Act," as a result of financial and

1 market regulation activities for which regulated entities are
2 responsible to pay; and
3 (3) include an analysis of the effectiveness of the
4 procedures under this article and recommendations to further
5 improve the efficiency and transparency of the examination
6 processes.

7 SECTION 3. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ: <--

8 ARTICLE IX-A

9 PENNSYLVANIA PROFESSIONAL LIABILITY JOINT

10 UNDERWRITING ASSOCIATION

11 SUBARTICLE A

12 PRELIMINARY PROVISIONS

13 SECTION 901-A. DECLARATION OF POLICY.

14 THE GENERAL ASSEMBLY FINDS AND DECLARES AS FOLLOWS:

15 (1) THE COMMISSIONER'S REVIEW OF THE ASSOCIATION'S PLAN
16 OF OPERATION AND RATE FILINGS HAS IDENTIFIED A DECREASE IN
17 THE NUMBER OF CLAIM PAYMENTS AND THE DECLINE IN THE NEED IN
18 THIS COMMONWEALTH FOR THE TYPES OF MEDICAL PROFESSIONAL
19 LIABILITY INSURANCE POLICIES OFFERED BY THE ASSOCIATION UNDER
20 CHAPTER 7 OF THE MCARE ACT. THE REVIEW HAS IDENTIFIED A NEED
21 TO MODERNIZE THE ASSOCIATION IN ORDER TO PRODUCE NEEDED
22 ECONOMICAL AND ADMINISTRATIVE EFFICIENCIES.

23 (2) ENSURING THE FUTURE AVAILABILITY OF AND ACCESS TO
24 QUALITY HEALTH CARE IS A FUNDAMENTAL GOVERNMENT GOAL, AND IT
25 IS ESSENTIAL TO THE PUBLIC HEALTH, SAFETY AND WELFARE OF ALL
26 RESIDENTS OF THIS COMMONWEALTH THAT ACCESS TO A FULL SPECTRUM
27 OF HOSPITAL SERVICES AND TO HIGHLY TRAINED PHYSICIANS IN ALL
28 SPECIALTIES IS AVAILABLE.

29 (3) IN ORDER TO ACCOMPLISH THE GOALS UNDER PARAGRAPH
30 (2), MEDICAL PROFESSIONAL LIABILITY INSURANCE MUST CONTINUE

1 TO BE OBTAINABLE AT AN AFFORDABLE AND REASONABLE COST IN
2 EVERY GEOGRAPHIC REGION OF THIS COMMONWEALTH. PLACING THE
3 ASSOCIATION WITHIN THE DEPARTMENT WILL GIVE THE COMMISSIONER
4 MORE OVERSIGHT OF EXPENDITURES AND ENSURE BETTER EFFICIENCIES
5 IN THE OPERATION OF THE ASSOCIATION.

6 SECTION 902-A. DEFINITIONS.

7 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
8 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
9 CONTEXT CLEARLY INDICATES OTHERWISE:

10 "ASSOCIATION." THE PENNSYLVANIA PROFESSIONAL LIABILITY JOINT
11 UNDERWRITING ASSOCIATION ESTABLISHED IN SECTION 731 OF THE MCARE
12 ACT.

13 "BOARD." THE JOINT UNDERWRITING ASSOCIATION BOARD DESCRIBED
14 IN SECTION 912-A(A).

15 "COMMISSIONER." THE INSURANCE COMMISSIONER OF THE
16 COMMONWEALTH.

17 "DEPARTMENT." THE INSURANCE DEPARTMENT OF THE COMMONWEALTH.

18 "HEALTH CARE PROVIDER." AS DEFINED IN SECTION 702 OF THE
19 MCARE ACT.

20 "MCARE ACT." THE ACT OF MARCH 20, 2002 (P.L.154, NO.13),
21 KNOWN AS THE MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR
22 (MCARE) ACT.

23 "PLAN." A PLAN OF OPERATION SUBMITTED TO AND APPROVED BY THE
24 COMMISSIONER UNDER SECTION 731(B)(1) OF THE MCARE ACT OR THIS
25 ARTICLE.

26 SUBARTICLE B

27 OVERSIGHT AND DUTIES

28 SECTION 911-A. ASSOCIATION OVERSIGHT AND ADDITIONAL DUTIES.

29 (A) OVERSIGHT.--THE ASSOCIATION SHALL CONTINUE AS AN
30 INSTRUMENTALITY OF THE COMMONWEALTH AND SHALL OPERATE UNDER THE

1 CONTROL, DIRECTION AND OVERSIGHT OF THE DEPARTMENT.

2 (B) ADDITIONAL DUTIES.--IN ADDITION TO THE DUTIES DESCRIBED
3 UNDER SUBCHAPTER C OF CHAPTER 7 OF THE MCARE ACT, THE
4 ASSOCIATION SHALL DO ALL OF THE FOLLOWING:

5 (1) SUBMIT MONTHLY REPORTS TO THE COMMISSIONER OF
6 PREMIUMS COLLECTED AND CLAIMS PAID DURING THE IMMEDIATELY
7 PRECEDING MONTH.

8 (2) PROVIDE TO THE COMMISSIONER ADDITIONAL DOCUMENTS AND
9 INFORMATION REGARDING THE ASSOCIATION'S OPERATIONS AS THE
10 COMMISSIONER MAY REQUEST.

11 (3) WITHIN 60 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS
12 SECTION, PREPARE AND SUBMIT A NEW PLAN FOR APPROVAL BY THE
13 COMMISSIONER UNDER SECTION 731(B)(1) OF THE MCARE ACT. THE
14 NEW PLAN SHALL CONTAIN PROVISIONS NOT INCONSISTENT WITH THIS
15 ARTICLE. THE PLAN MAY BE AMENDED AT THE DIRECTION OF THE
16 BOARD OR THE COMMISSIONER.

17 (4) SUBMIT TO EXAMINATIONS UNDER ARTICLE IX.

18 (C) CLAIMS.--THE FOLLOWING SHALL APPLY:

19 (1) NO MEMBER OF THE ASSOCIATION OR ANY HEALTH CARE
20 PROVIDER INSURED BY A POLICY PROVIDED BY THE ASSOCIATION
21 SHALL HAVE A CLAIM AGAINST THE CURRENT OR FUTURE FUNDS,
22 PROFITS, INVESTMENTS OR LOSSES OF THE ASSOCIATION, INCLUDING
23 UPON DISSOLUTION.

24 (2) A CLAIM AGAINST OR A LIABILITY OF THE ASSOCIATION
25 UNDER A POLICY PROVIDED BY THE ASSOCIATION UNDER THE MCARE
26 ACT SHALL BE CONSIDERED A LIABILITY OF THE COMMONWEALTH.
27 SECTION 912-A. BOARD.

28 (A) MEMBERSHIP AND PURPOSE.--THE MEMBERSHIP OF THE JOINT
29 UNDERWRITING ASSOCIATION BOARD IS STATUTORILY ESTABLISHED. THE
30 BOARD SHALL GOVERN THE OPERATIONS OF THE ASSOCIATION AND SHALL

1 CONSIST OF THE FOLLOWING MEMBERS:

2 (1) THREE MEMBERS APPOINTED BY THE GOVERNOR.

3 (2) ONE MEMBER APPOINTED BY EACH OF THE FOLLOWING:

4 (I) THE PRESIDENT PRO TEMPORE OF THE SENATE.

5 (II) THE MINORITY LEADER OF THE SENATE.

6 (III) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

7 (IV) THE MINORITY LEADER OF THE HOUSE OF
8 REPRESENTATIVES.

9 (B) CHAIR.--THE GOVERNOR SHALL APPOINT THE CHAIR OF THE
10 BOARD FROM AMONG THE BOARD MEMBERS.

11 (C) TERM AND VACANCY.--A MEMBER OF THE BOARD SHALL SERVE AT
12 THE WILL OF THE MEMBER'S APPOINTING AUTHORITY FOR A TERM OF FOUR
13 YEARS OR UNTIL THE MEMBER'S SUCCESSOR HAS BEEN APPOINTED AND IS
14 QUALIFIED. A VACANCY ON THE BOARD SHALL BE FILLED BY THE SAME
15 APPOINTING AUTHORITY AS THE OUTGOING MEMBER.

16 (D) QUORUM.--A MAJORITY OF THE MEMBERS OF THE BOARD SHALL
17 CONSTITUTE A QUORUM. THE VOTE OF A MAJORITY OF THE MEMBERS
18 ATTENDING A MEETING OF THE BOARD SHALL BE REQUIRED FOR ALL
19 ACTIONS OF THE BOARD.

20 (E) COMPENSATION.--MEMBERS OF THE BOARD SHALL NOT BE
21 COMPENSATED FOR SERVICE AS BOARD MEMBERS BUT SHALL BE ENTITLED
22 TO REIMBURSEMENT OF EXPENSES UNDER RULES GOVERNING THE
23 REIMBURSEMENT OF EXPENSES TO COMMONWEALTH EXECUTIVE AGENCY
24 PERSONNEL.

25 (F) EXECUTIVE DIRECTOR AND ADMINISTRATIVE SUPPORT.--THE DAY-
26 TO-DAY OPERATIONS OF THE BOARD SHALL BE MANAGED BY AN EXECUTIVE
27 DIRECTOR HIRED BY THE COMMISSIONER WHOSE ANNUAL SALARY AND OTHER
28 BENEFITS OF EMPLOYMENT SHALL BE DETERMINED BY THE COMMISSIONER.
29 THE DEPARTMENT SHALL PROVIDE THE BOARD WITH OTHER ADMINISTRATIVE
30 SUPPORT AS THE DEPARTMENT, IN CONSULTATION WITH THE EXECUTIVE

1 DIRECTOR, DEEMS NECESSARY AND APPROPRIATE. THE EXECUTIVE
2 DIRECTOR AND OTHER STAFF HIRED TO SUPPORT THE WORK OF THE BOARD
3 SHALL BE CONSIDERED COMMONWEALTH EMPLOYEES.

4 (G) POWERS AND DUTIES.--THE BOARD SHALL ADMINISTER THE PLAN,
5 DECIDE ALL MATTERS OF POLICY AND HAVE AUTHORITY TO EXERCISE ALL
6 REASONABLE AND NECESSARY POWERS RELATING TO THE OPERATION OF THE
7 ASSOCIATION. IN FURTHERANCE OF THE BOARD'S POWERS AND DUTIES,
8 THE BOARD MAY DO ALL OF THE FOLLOWING:

9 (1) ADOPT BYLAWS AND GUIDELINES.

10 (2) APPOINT COMMITTEES AND RETAIN EXPERTS AND ADVISORS,
11 CONSULTANTS AND AGENTS TO RENDER SERVICES AS THE BOARD DEEMS
12 NECESSARY TO CARRY OUT THE OPERATIONS OF THE BOARD AND THE
13 ASSOCIATION.

14 (3) ENTER INTO AGREEMENTS AND CONTRACTS AS MAY BE
15 NECESSARY FOR THE ADMINISTRATION OF THE PLAN AND CONSISTENT
16 WITH THIS ACT AND THE APPLICABLE PROVISIONS OF THE MCARE ACT.

17 (4) DEVELOP RATES, RATING PLANS, RATING AND UNDERWRITING
18 RULES AND STANDARDS, RATE CLASSIFICATIONS, RATE TERRITORIES,
19 POLICY FORMS AND RIDERS IN ACCORDANCE WITH APPLICABLE LAWS
20 AND SUBJECT TO THE COMMISSIONER'S APPROVAL UNDER SECTIONS
21 712(F) AND 731(B) (2) AND (4) OF THE MCARE ACT.

22 (5) INVEST, BORROW AND DISBURSE FUNDS, BUDGET EXPENSES,
23 LEVY ASSESSMENTS, RECEIVE CONTRIBUTIONS, REINSURE LIABILITIES
24 OF THE ASSOCIATION AND PERFORM ALL OTHER DUTIES NECESSARY OR
25 INCIDENTAL TO THE PROPER ADMINISTRATION OF THE PLAN.

26 (6) IF THE BOARD DEEMS IT TO BE IN THE BEST INTERESTS OF
27 THE POLICY HOLDERS AND THE COMMONWEALTH, SUBJECT TO THE
28 COMMISSIONER'S APPROVAL, PLACE A PORTION OF THE FUNDS OF THE
29 ASSOCIATION IN A RESTRICTED RECEIPT ACCOUNT IN THE TREASURY
30 DEPARTMENT. THE STATE TREASURER SHALL CREATE A RESTRICTED

1 RECEIPT ACCOUNT AT THE REQUEST OF THE BOARD. MONEY IN THE
2 ACCOUNT IS APPROPRIATED FOR THE PURPOSES REQUIRED IN THE
3 MCARE ACT, THIS ARTICLE AND AS MAY OTHERWISE BE DIRECTED BY
4 THE BOARD.

5 (7) AUTHORIZE THE EXECUTIVE DIRECTOR TO PARTICIPATE IN
6 THE SCHEDULING CONFERENCES AND OTHER PROVISIONS OF ARTICLE IX
7 ON BEHALF OF THE BOARD.

8 SECTION 913-A. DISSOLUTION.

9 (A) GENERAL.--THE ASSOCIATION MAY BE DISSOLVED AS FOLLOWS:

10 (1) AT THE REQUEST OF A MAJORITY OF THE MEMBERS OF THE
11 ASSOCIATION AND AS APPROVED BY THE COMMISSIONER.

12 (2) BY ACT OF THE GENERAL ASSEMBLY.

13 (B) DISTRIBUTION OF ASSETS.--UPON DISSOLUTION OF THE
14 ASSOCIATION UNDER THIS SECTION, ALL ASSETS OF THE ASSOCIATION,
15 FROM WHATEVER SOURCE, SHALL BE DISTRIBUTED AS THE BOARD MAY
16 DETERMINE, SUBJECT TO THE APPROVAL OF THE COMMISSIONER.

17 SUBARTICLE C

18 MISCELLANEOUS PROVISIONS

19 SECTION 921-A. ADMINISTRATION AND CONSTRUCTION.

20 THE FOLLOWING SHALL APPLY:

21 (1) WITHIN 30 DAYS FOLLOWING THE EFFECTIVE DATE OF
22 THIS SECTION, ALL PAPER AND ELECTRONIC DOCUMENTS AND
23 FILES AND OTHER ASSETS OF THE ASSOCIATION IN THE
24 POSSESSION OF THE ASSOCIATION, ITS EXECUTIVE DIRECTOR AND
25 EMPLOYEES SHALL BE TRANSFERRED TO THE DEPARTMENT.

26 (2) WITHIN 30 DAYS FOLLOWING THE EFFECTIVE DATE OF
27 THIS SECTION, AUTHORITY TO ACT ON BEHALF OF THE BOARD
28 SHALL BE TRANSFERRED TO THE EXECUTIVE DIRECTOR HIRED BY
29 THE COMMISSIONER UNDER SECTION 912-A(F). THE COMMISSIONER
30 MAY APPOINT AN ACTING EXECUTIVE DIRECTOR TO ACT UNTIL AN

1 EXECUTIVE DIRECTOR HAS BEEN HIRED.

2 SECTION 4. REPEALS ARE AS FOLLOWS:

3 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
4 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF
5 SECTION 911-A(C) (2) OF THE ACT.

6 (2) SECTION 731(C) OF THE ACT OF MARCH 20, 2002
7 (P.L.154, NO.13), KNOWN AS THE MEDICAL CARE AVAILABILITY AND
8 REDUCTION OF ERROR (MCARE) ACT, IS REPEALED.

9 SECTION 5. THE FOLLOWING SHALL APPLY:

10 (1) ORDERS, REGULATIONS, RULES AND DECISIONS WHICH WERE
11 ISSUED, PROMULGATED OR MADE BY THE PENNSYLVANIA PROFESSIONAL
12 LIABILITY JOINT UNDERWRITING ASSOCIATION UNDER THE ACT OF
13 MARCH 20, 2002 (P.L.154, NO.13), KNOWN AS THE MEDICAL CARE
14 AVAILABILITY AND REDUCTION OF ERROR (MCARE) ACT, IN
15 CONNECTION WITH CH. 7, SUBCH. C OF THE MCARE ACT, AND WHICH
16 ARE IN EFFECT ON THE EFFECTIVE DATE OF THIS SECTION, SHALL
17 REMAIN APPLICABLE AND IN FULL FORCE AND EFFECT UNTIL MODIFIED
18 OR TERMINATED.

19 (2) THE FOLLOWING SHALL APPLY TO ADMINISTRATION AND
20 CONSTRUCTION:

21 (I) ACTIVITIES INITIATED UNDER CH. 7, SUBCH. C OF
22 THE MCARE ACT SHALL CONTINUE AND REMAIN IN FULL FORCE AND
23 EFFECT.

24 (II) INSURANCE POLICIES ISSUED AND CONTRACTS ENTERED
25 INTO BY THE PENNSYLVANIA PROFESSIONAL LIABILITY JOINT
26 UNDERWRITING ASSOCIATION PRIOR TO THE EFFECTIVE DATE OF
27 THIS SECTION ARE NOT AFFECTED NOR IMPAIRED BY THIS
28 ARTICLE.

29 SECTION 6. THE PROVISIONS OF SECTIONS 904.1, 904.2, 904.3,
30 AND 905.1 OF THE ACT SHALL APPLY TO EXAMINATIONS COMMENCING AT

1 LEAST 30 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

2 Section 3 7. This act shall take effect in ~~60~~ 30 days.

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