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Memorandum

House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

GAMING OVERSIGHT - CHAIRMAN
INSURANCE

Date: January 3, 2011
To: All House Members
From: Curt Schroder, Member
155th Legislative District
RE: COSPONSORSHIP – CHIP

In the very near future, I will be re-introducing legislation to amend the Insurance Company Law that establishes the Children's Health Insurance Program (CHIP), to allow the program to use insurance producers to promote and sell CHIP coverage as an additional form of outreach. In addition, the legislation is designed to ensure that insurance marketing of this public sector program comes under the same rules and consumer protections as private sector insurance products.

Since Chip's inception, the Insurance Department has chosen a mass media campaign with members of non-insurance groups to convince people to sign up for its benefits. While this approach may have attracted interest, there are problems in the accuracy of applications and completeness of supporting materials, resulting in a lack of true penetration.

I believe the program should enlist the marketing efforts that have been overlooked thus far - the licensed insurance agent. These men and women sell insurance and should be utilized for CHIP enrollment because they know their communities and can convince someone to sign up better than a passive billboard or kiosk.

Additionally, if the Children's' Health **Insurance** Program is truly an insurance program, as its name suggests, it should be subjected to the laws regarding insurance. Specifically, it should be subject to the marketing laws which govern how insurance is solicited, sold, and negotiated, and insurance agents should market the product.

December 30, 2010
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There are numerous precedents where insurance agents are used in markets of 'last resort.' Some of these are flood insurance, crop insurance, assigned risk (auto) insurance, and medical malpractice insurance. The most recent example: mine subsidence insurance, where DEP's program is now marketed by insurance agents. My legislation would resemble that model.

If you are interested in cosponsoring this legislation please contact my office by calling 783-2520 or e-mail Heather Epler at hepler@pahousegop.com.