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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

February 14, 2011

TO: All House Members

FROM: Representative Robert L. Freeman *R. L. F.*

SUBJECT: Proposed legislation – Workers' Compensation Act amendment

In the near future, I intend to introduce legislation that would amend Chapter 15 of the Workers' Compensation Act to allow the office of State Workers' Insurance Fund (SWIF) within the Departments of Labor and Industry to sell health insurance.

Currently, SWIF is only able to sell Workers Compensation Insurance. This legislation would permit them the ability to offer a quality, affordable health insurance policy that will not have any income requirement and is not subsidized by the Commonwealth. This will offer several advantages to our constituents. First, it will offer a quality health insurance product that will be less expensive than the current rates due to lower administrative costs. Second, it will create more competition within the health insurance market. Finally, the presence of a SWIF health insurance product in the market place will serve as a yard stick by which to measure the fairness of rates charged by private health insurance companies.

Health insurance rates are increasing at twice the rate of inflation. I believe that this proposal will effectively bring health care policies back to an affordable range for the average Pennsylvanian by offering a less costly alternative to the current private health insurance plans offered today.

If you would like to cosponsor this legislation, please contact Danielle in my office by e-mail at dbrown@pahouse.net or by telephone at 783-3815.

RLF/blm