

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1485 Session of
2007

INTRODUCED BY DeLUCA, FABRIZIO, DALEY, DENLINGER, GIBBONS,
GRUCELA, HORNAMAN, JAMES, KILLION, KOTIK, MYERS, PASHINSKI,
SAINATO, SOLOBAY, TANGRETTI, THOMAS, WALKO, WOJNAROSKI AND
YOUNGBLOOD, JUNE 5, 2007

REFERRED TO COMMITTEE ON INSURANCE, JUNE 5, 2007

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," further providing for annual and
12 other reports and penalties.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 320 of the act of May 17, 1921 (P.L.682,
16 No.284), known as The Insurance Company Law of 1921, amended
17 December 18, 1992 (P.L.1519, No.178) and February 17, 1994
18 (P.L.92, No.9), is amended to read:

19 Section 320. Annual and Other Reports; Penalties.--(a) (1)
20 Every stock and mutual insurance company, association, and
21 exchange, doing business in this Commonwealth, shall annually,
22 on or before the first day of March, file in the office of the

1 Insurance Commissioner and with the National Association of
2 Insurance Commissioners a statement which shall exhibit its
3 financial condition on the thirty-first day of December of the
4 previous year, and its business of that year and shall, within
5 thirty days after requested by the Insurance Commissioner, file
6 with the Insurance Commissioner and with the National
7 Association of Insurance Commissioners such additional statement
8 or statements concerning its affairs and financial condition as
9 the Insurance Commissioner may, in his discretion, require. The
10 Insurance Commissioner shall require each insurance company
11 association and exchange to report its financial condition on
12 the statement convention blanks, in such form as adopted by the
13 National Association of Insurance Commissioners and shall, upon
14 written request, furnish such blanks for their convenience; and
15 may make such changes, from time to time, in the form of the
16 same as shall seem best adapted to elicit from them a true
17 exhibit of their financial condition.

18 (2) Unless otherwise provided by law, regulation or order of
19 the Insurance Commissioner, each insurance company, association
20 and exchange shall adhere to the annual or quarterly statement
21 instructions and the accounting practices and procedures manuals
22 prescribed by the National Association of Insurance
23 Commissioners. The Insurance Commissioner may require each
24 insurance company, association and exchange to file in the
25 office of the Insurance Commissioner and with the National
26 Association of Insurance Commissioners financial statements on
27 diskettes or other electronic information storage devices
28 acceptable to the Insurance Commissioner.

29 (b) Insurance companies of foreign governments, doing
30 business in this Commonwealth, shall be required to return only

1 the business done in the United States, and the assets held by
2 and for them within the United States for the protection of
3 policyholders therein.

4 (c) In the absence of actual malice, members of the National
5 Association of Insurance Commissioners, their duly authorized
6 committees, subcommittees and task forces, their delegates and
7 employes and all others charged with the responsibility of
8 collecting, reviewing, analyzing and disseminating the
9 information developed from the filing of the annual statement
10 convention blanks shall be acting as agents of the Insurance
11 Commissioner under the authority of this act and shall not be
12 subject to civil liability for libel, slander or any other cause
13 of action by virtue of their collection, review and analysis or
14 dissemination of the data and information collected from the
15 filings required hereunder.

16 (d) [All financial analysis ratios and examination synopses
17 concerning insurance companies that are submitted to the
18 Insurance Department by the National Association of Insurance
19 Commissioners' Insurance Regulatory Information System are
20 confidential and may not be disclosed by the Insurance
21 Department. Work products developed by Insurance Department
22 staff in conducting financial analyses of financial statements
23 filed pursuant to this section are confidential and shall not be
24 disclosed by the Insurance Department.]

25 (1) The following documents, materials or information shall be
26 confidential by law and privileged, shall not be subject to
27 subpoena, discovery or the act of June 21, 1957 (P.L.390,
28 No.212), referred to as the Right-to-Know Law, or admissible in
29 evidence in any private civil action.

30 (i) All documents, materials or other information provided

1 by an insurance company, association or exchange in support of
2 the statement of actuarial opinion filed under this section,
3 including actuarial reports, work papers or actuarial opinion
4 summaries and any other material provided by the insurance
5 company, association or exchange to the Insurance Department in
6 connection with actuarial reports, work papers or actuarial
7 opinion summaries.

8 (ii) All financial analysis ratios, analyst team reports and
9 other financial analytical results concerning insurance
10 companies, associations and exchanges that are provided to the
11 Insurance Department by the National Association of Insurance
12 Commissioners.

13 (iii) All additional work products, documents, materials or
14 information produced by, obtained by or provided to the
15 Insurance Department in the course of conducting financial
16 analyses of financial statements filed under this section.

17 (2) Neither the Insurance Commissioner nor any individual or
18 person who receives documents, materials or information while
19 acting under the authority of the Insurance Commissioner shall
20 be permitted or required to testify in any private civil action
21 concerning any confidential documents, materials or information
22 covered by this section.

23 (3) No waiver of any applicable privilege or claim of
24 confidentiality in the documents, materials or information shall
25 occur as a result of disclosure to the Insurance Commissioner or
26 as a result of the Insurance Commissioner sharing information in
27 conformance with sections 201-A and 202-A of the act of May 17,
28 1921 (P.L.789, No.285), known as "The Insurance Department Act
29 of 1921."

30 (4) The Insurance Commissioner may use the documents,

1 materials or other information obtained or created under this
2 section in furtherance of any regulatory or legal action brought
3 as part of the Insurance Commissioner's official duties.

4 (e) (1) Any company, association, or exchange, which
5 neglects to make and file its annual statement, or other
6 statements that may be required, in the form or within the time
7 herein provided shall forfeit a sum not to exceed two hundred
8 dollars (\$200) for each day during which such neglect continues,
9 and, upon notice by the commissioner, its authority to do new
10 business shall cease while such default continues.

11 (2) For wilfully making a false annual or other statement
12 required by law, an insurance company, association or exchange,
13 and the persons making oath to or subscribing the same, shall
14 severally be punished by a fine of not less than one thousand
15 dollars (\$1,000) nor more than ten thousand dollars (\$10,000). A
16 person who wilfully makes oath to such false statement shall be
17 guilty of perjury.

18 (3) The Insurance Commissioner may suspend, revoke or refuse
19 to renew the certificate of authority of any insurer failing to
20 file its annual statement when due.

21 Section 2. This act shall take effect in 60 days.