

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2124 Session of
2008

INTRODUCED BY SCHRODER, BIANCUCCI, BOYD, CAPPELLI, DENLINGER,
EVERETT, GINGRICH, GRELL, HENNESSEY, KENNEY, MACKERETH,
McILVAINE SMITH, R. MILLER, MURT, RAPP, ROAE, SAYLOR, STERN
AND TURZAI, MAY 12, 2008

REFERRED TO COMMITTEE ON INSURANCE, MAY 12, 2008

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 legislative
12 findings and intent, for definitions, for children's health
13 care and for outreach.

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

16 Section 1. Section 2302 of the act of May 17, 1921 (P.L.682,
17 No.284), known as The Insurance Company Law of 1921, is amended
18 by adding a paragraph to read:

19 Section 2302. Legislative Findings and Intent.--The General
20 Assembly finds and declares as follows:

21 * * *

22 (10) The Children's Health Insurance Program is defined as

1 an insurance product and, as such, must have marketing performed
2 consistently with Article VI-A, Subarticle A, Division 1 of the
3 act of May 17, 1921 (P.L.789, No.285), known as "The Insurance
4 Department Act of 1921," the act of July 22, 1974 (P.L.589,
5 No.205), known as the "Unfair Insurance Practices Act," and
6 other laws governing the sale, solicitation and negotiation of
7 contracts of insurance.

8 Section 2. Section 2303 of the act is amended by adding a
9 definition to read:

10 Section 2303. Definitions.--As used in this article, the
11 following words and phrases shall have the meanings given to
12 them in this section:

13 * * *

14 "Producer." A person that sells, solicits or negotiates
15 contracts of insurance.

16 * * *

17 Section 3. Section 2311(i) of the act, amended November 2,
18 2006 (P.L.1314, No.136), is amended to read:

19 Section 2311. Children's Health Care.--* * *

20 (i) The Children's Health Advisory Council is established
21 within the department as an advisory council. The following
22 shall apply:

23 (1) The council shall consist of [fourteen] fifteen voting
24 members. Members provided for in subparagraphs (iv), (v), (vi),
25 (vii), (viii), (x) [and], (xi) and (xii) shall be appointed by
26 the Insurance Commissioner. The council shall be geographically
27 balanced on a Statewide basis and shall include:

28 (i) The Secretary of Health ex officio or a designee.

29 (ii) The Insurance Commissioner ex officio or a designee.

30 (iii) The Secretary of Public Welfare ex officio or a

1 designee.

2 (iv) A representative with experience in children's health
3 from a school of public health located in this Commonwealth.

4 (v) A physician with experience in children's health
5 appointed from a list of three qualified persons recommended by
6 the Pennsylvania Medical Society.

7 (vi) A representative of a children's hospital or a hospital
8 with a pediatric outpatient clinic appointed from a list of
9 three persons submitted by the Hospital Association of
10 Pennsylvania.

11 (vii) A parent of a child who receives primary health care
12 coverage from the fund.

13 (viii) A mid-level professional appointed from lists of
14 names recommended by Statewide associations representing mid-
15 level health professionals.

16 (ix) A senator appointed by the President pro tempore of the
17 Senate, a senator appointed by the minority leader of the
18 Senate, a representative appointed by the Speaker of the House
19 of Representatives and a representative appointed by the
20 minority leader of the House of Representatives.

21 (x) A representative from a private nonprofit foundation.

22 (xi) A representative of business who is not a contractor or
23 provider of primary health care insurance under this
24 subdivision.

25 (xii) A licensed insurance producer representing a
26 professional association of insurance producers whose members
27 sell, solicit or negotiate contracts of health insurance.

28 (2) If any specified organization should cease to exist or
29 fail to make a recommendation within ninety (90) days of a
30 request to do so, the council shall specify a new equivalent

1 organization to fulfill the responsibilities of this section.

2 (3) The Insurance Commissioner shall chair the council. The
3 members of the council shall annually elect, by a majority vote
4 of the members, a vice chairperson from among the members of the
5 council.

6 (4) The presence of eight members shall constitute a quorum
7 for the transacting of any business. Any act by a majority of
8 the members present at any meeting at which there is a quorum
9 shall be deemed to be that of the council.

10 (5) All meetings of the council shall be conducted pursuant
11 to 65 Pa.C.S. Ch. 7 (relating to open meetings) unless otherwise
12 provided in this section. The council shall meet at least
13 annually and may provide for special meetings as it deems
14 necessary. Meeting dates shall be set by a majority vote of
15 members of the council or by call of the chairperson upon seven
16 (7) days' notice to all members. The council shall publish
17 notice of its meetings in the Pennsylvania Bulletin. Notice
18 shall specify the date, time and place of the meeting and shall
19 state that the council's meetings are open to the general
20 public. All action taken by the council shall be taken in open
21 public session and shall not be taken except upon a majority
22 vote of the members present at a meeting at which a quorum is
23 present.

24 (6) The members of the council shall not receive a salary or
25 per diem allowance for serving as members of the council but
26 shall be reimbursed for actual and necessary expenses incurred
27 in the performance of their duties.

28 (7) Terms of council members shall be as follows:

29 (i) The appointed members shall serve for a term of three
30 (3) years and shall continue to serve thereafter until their

1 successors are appointed.

2 (ii) An appointed member shall not be eligible to serve more
3 than two full consecutive terms of three (3) years. Vacancies
4 shall be filled in the same manner in which they were designated
5 within sixty (60) days of the vacancy.

6 (iii) An appointed member may be removed by the appointing
7 authority for just cause and by a vote of at least seven members
8 of the council.

9 (8) The council shall review outreach activities and may
10 make recommendations to the department.

11 (9) The council shall review and evaluate the accessibility
12 and availability of services delivered to children enrolled in
13 the program.

14 * * *

15 Section 4. Section 2312 of the act is amended by adding a
16 subsection to read:

17 Section 2312. Outreach.--* * *

18 (c) Moneys included in outreach activities shall be
19 available to pay a one-time commission as determined by the
20 department to insurance producers who forward applications for
21 the Children's Health Insurance Program, if a policy is issued
22 pursuant to an application submitted by an insurance producer to
23 a contractor. The amount of the commission shall be determined
24 by the department on an annual basis.

25 Section 5. This act shall take effect in 60 days.