

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 548 Session of 2007

INTRODUCED BY CORMAN, ERICKSON, D. WHITE, VANCE, M. WHITE, WONDERLING, FOLMER, WAUGH, GORDNER AND C. WILLIAMS, MARCH 8, 2007

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JULY 12, 2007

AN ACT

1 ~~Establishing the Long Term Care Partnership Program; and~~ <—
2 ~~imposing powers and duties on the Department of Public~~
3 ~~Welfare.~~
4 AMENDING THE ACT OF MAY 17, 1921 (P.L.682, NO.284), ENTITLED "AN <—
5 ACT RELATING TO INSURANCE; AMENDING, REVISING, AND
6 CONSOLIDATING THE LAW PROVIDING FOR THE INCORPORATION OF
7 INSURANCE COMPANIES, AND THE REGULATION, SUPERVISION, AND
8 PROTECTION OF HOME AND FOREIGN INSURANCE COMPANIES, LLOYDS
9 ASSOCIATIONS, RECIPROCAL AND INTER-INSURANCE EXCHANGES, AND
10 FIRE INSURANCE RATING BUREAUS, AND THE REGULATION AND
11 SUPERVISION OF INSURANCE CARRIED BY SUCH COMPANIES,
12 ASSOCIATIONS, AND EXCHANGES, INCLUDING INSURANCE CARRIED BY
13 THE STATE WORKMEN'S INSURANCE FUND; PROVIDING PENALTIES; AND
14 REPEALING EXISTING LAWS," PROVIDING FOR SCOPE OF ARTICLE, FOR
15 THE DEFINITION OF "LONG-TERM CARE INSURANCE," FOR THE LONG-
16 TERM CARE PARTNERSHIP PROGRAM, FOR AUTHORITY TO PROMULGATE
17 REGULATIONS, FOR MARKETING AND ADVERTISING PROHIBITED AND FOR
18 PENALTIES; AND FURTHER PROVIDING FOR COVERAGE AND
19 LIMITATIONS.

20 The General Assembly of the Commonwealth of Pennsylvania

21 hereby enacts as follows:

22 ~~Section 1. Short title.~~ <—

23 ~~This act shall be known and may be cited as the Long Term~~
24 ~~Care Partnership Program.~~

25 ~~Section 2. Long Term Care Partnership Program.~~

1 ~~(a) Establishment. There is hereby established the Long-~~
2 ~~Term Care Partnership Program, to be administered by the~~
3 ~~Department of Public Welfare in accordance with the requirements~~
4 ~~for qualified State long term care insurance partnerships. The~~
5 ~~purpose of this program is to reduce future Medicaid costs for~~
6 ~~long term care by delaying or eliminating dependence on Medicaid~~
7 ~~by providing incentives for individuals to insure against the~~
8 ~~potentially substantial costs that arise upon the need for long-~~
9 ~~term care.~~

10 ~~(b) Operation. In order to implement the program, the~~
11 ~~Department of Public Welfare shall file a State plan amendment~~
12 ~~with Centers for Medicare and Medicaid Services of the United~~
13 ~~States Department of Health and Human Services pursuant to Title~~
14 ~~XIX of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1396~~
15 ~~et seq.) by June 30, 2007. The program, including the treatment~~
16 ~~of assets for Medicaid eligibility and estate recovery, shall be~~
17 ~~structured and administered by the Department of Public Welfare~~
18 ~~in accordance with Federal law and applicable Federal guidelines~~
19 ~~for qualified State long term care partnerships.~~

20 ~~Section 3. Effective date.~~

21 ~~This act shall take effect immediately.~~

22 SECTION 1. SECTION 1102 OF THE ACT OF MAY 17, 1921 (P.L.682, <—
23 NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF 1921, ADDED
24 DECEMBER 15, 1992 (P.L.1129, NO.148), IS AMENDED TO READ:

25 SECTION 1102. SCOPE OF ARTICLE.--THIS ARTICLE IS NOT
26 INTENDED TO SUPERSEDE THE OBLIGATIONS OF ENTITIES SUBJECT TO
27 THIS ARTICLE TO COMPLY WITH THE SUBSTANCE OF OTHER APPLICABLE
28 INSURANCE LAWS INSOFAR AS THEY DO NOT CONFLICT WITH THIS
29 ARTICLE, EXCEPT THAT LAWS AND REGULATIONS DESIGNED AND INTENDED
30 TO APPLY TO MEDICARE SUPPLEMENT INSURANCE POLICIES SHALL NOT BE

1 APPLIED TO LONG-TERM CARE INSURANCE. A POLICY WHICH IS NOT
2 ADVERTISED, MARKETED OR OFFERED AS LONG-TERM CARE INSURANCE [OR
3 NURSING HOME INSURANCE] NEED NOT MEET THE REQUIREMENTS OF THIS
4 ARTICLE.

5 SECTION 2. THE DEFINITION OF "LONG-TERM CARE INSURANCE" IN
6 SECTION 1103 OF THE ACT, AMENDED NOVEMBER 30, 2004 (P.L.1690,
7 NO.216), IS AMENDED TO READ:

8 SECTION 1103. DEFINITIONS.--AS USED IN THIS ARTICLE, THE
9 FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO
10 THEM IN THIS SECTION:

11 * * *

12 "LONG-TERM CARE INSURANCE." ANY INSURANCE POLICY OR RIDER
13 ADVERTISED, MARKETED, OFFERED OR DESIGNED TO PROVIDE
14 COMPREHENSIVE COVERAGE FOR EACH COVERED PERSON ON AN EXPENSE-
15 INCURRED, INDEMNITY, PREPAID OR OTHER BASIS FOR FUNCTIONALLY
16 NECESSARY OR MEDICALLY NECESSARY DIAGNOSTIC, PREVENTIVE,
17 THERAPEUTIC, REHABILITATIVE, MAINTENANCE OR PERSONAL CARE
18 SERVICES PROVIDED IN A SETTING OTHER THAN AN ACUTE CARE UNIT OF
19 A HOSPITAL. THE TERM INCLUDES A POLICY, RIDER OR PREPAID HOME
20 HEALTH OR PERSONAL CARE SERVICE POLICY WHICH PROVIDES FOR
21 PAYMENT OF BENEFITS BASED UPON COGNITIVE IMPAIRMENT OR THE LOSS
22 OF FUNCTIONAL CAPACITY. THE TERM INCLUDES GROUP AND INDIVIDUAL
23 POLICIES OR RIDERS ISSUED BY INSURERS, FRATERNAL BENEFIT
24 SOCIETIES, NONPROFIT HEALTH, HOSPITAL AND MEDICAL SERVICE
25 CORPORATIONS, HEALTH MAINTENANCE ORGANIZATIONS OR SIMILAR
26 ORGANIZATIONS. THE TERM DOES NOT INCLUDE ANY INSURANCE POLICY
27 WHICH IS OFFERED PRIMARILY TO PROVIDE BASIC MEDICARE SUPPLEMENT
28 COVERAGE, BASIC HOSPITAL EXPENSE COVERAGE, BASIC MEDICAL-
29 SURGICAL EXPENSE COVERAGE, HOSPITAL CONFINEMENT INDEMNITY
30 COVERAGE, MAJOR MEDICAL EXPENSE COVERAGE, DISABILITY INCOME

1 PROTECTION COVERAGE, ACCIDENT-ONLY COVERAGE, SPECIFIED DISEASE
2 OR SPECIFIED ACCIDENT COVERAGE OR LIMITED BENEFIT HEALTH
3 COVERAGE.

4 * * *

5 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

6 SECTION 1110.1. LONG-TERM CARE PARTNERSHIP PROGRAM.--(A)

7 THERE IS HEREBY ESTABLISHED THE LONG-TERM CARE PARTNERSHIP
8 PROGRAM, TO BE ADMINISTERED BY THE DEPARTMENT OF PUBLIC WELFARE
9 IN ACCORDANCE WITH THE REQUIREMENTS FOR QUALIFIED STATE LONG-
10 TERM CARE INSURANCE PARTNERSHIPS. THE PURPOSE OF THIS PROGRAM IS
11 TO REDUCE FUTURE MEDICAID COSTS FOR LONG-TERM CARE BY DELAYING
12 OR ELIMINATING DEPENDENCE ON MEDICAID BY PROVIDING INCENTIVES
13 FOR INDIVIDUALS TO ENSURE AGAINST THE POTENTIALLY SUBSTANTIAL
14 COSTS THAT ARISE UPON THE NEED FOR LONG-TERM CARE.

15 (B) IN ORDER TO IMPLEMENT THE PROGRAM, THE DEPARTMENT OF
16 PUBLIC WELFARE SHALL FILE A STATE PLAN AMENDMENT WITH CENTERS
17 FOR MEDICARE AND MEDICAID SERVICES OF THE UNITED STATES
18 DEPARTMENT OF HEALTH AND HUMAN SERVICES PURSUANT TO TITLE XIX OF
19 THE SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 1396 ET SEQ.)
20 WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS SECTION. THE
21 PROGRAM, INCLUDING THE TREATMENT OF ASSETS FOR MEDICAID
22 ELIGIBILITY AND ESTATE RECOVERY, SHALL BE STRUCTURED AND
23 ADMINISTERED BY THE DEPARTMENT OF PUBLIC WELFARE IN ACCORDANCE
24 WITH FEDERAL LAW AND APPLICABLE FEDERAL GUIDELINES FOR QUALIFIED
25 STATE LONG-TERM CARE PARTNERSHIPS.

26 (C) THE DEPARTMENT SHALL REQUIRE ALL INSURERS OFFERING A
27 QUALIFIED LONG-TERM CARE PARTNERSHIP PROGRAM POLICY TO OFFER TO
28 EXCHANGE ANY POLICY OR CERTIFICATE ISSUED BETWEEN FEBRUARY 8,
29 2006, AND THE DATE THE STATE PLAN AMENDMENT TAKES EFFECT, WITH A
30 QUALIFIED LONG-TERM CARE PARTNERSHIP PROGRAM POLICY. THE

1 FOLLOWING SHALL APPLY:

2 (1) ALL OFFERS OF EXCHANGE SHALL BE SUBJECT TO THE OUTLINE
3 OF COVERAGE PROVISIONS SET FORTH UNDER SECTION 1111 AND ALL
4 APPLICABLE REGULATIONS.

5 (2) POLICIES EXCHANGED UNDER THIS PROVISION, IF THERE IS NO
6 CHANGE IN COVERAGE MATERIAL TO THE RISK, SHALL NOT BE SUBJECT TO
7 ANY MEDICAL UNDERWRITING OR APPROVAL PROCESS.

8 (3) ANY PORTION OF THE POLICY THAT WAS ISSUED PRIOR TO THE
9 EXCHANGE DATE SHALL BE PRICED BASED ON THE POLICYHOLDER'S AGE
10 WHEN THE POLICY WAS ORIGINALLY ISSUED.

11 (4) ANY PORTION OF THE POLICY THAT IS ADDED AS A RESULT OF
12 THE EXCHANGE MAY BE PRICED BASED ON THE POLICYHOLDER'S AGE AT
13 THE TIME OF THE EXCHANGE.

14 (5) ANY ADDITION TO A POLICY AS A RESULT OF ANY EXCHANGE
15 SHALL BE SUBJECT TO THE RIGHT TO RETURN SET FORTH UNDER SECTION
16 1110 AND ALL APPLICABLE REGULATIONS.

17 SECTION 4. SECTIONS 1112, 1113 AND 1114 OF THE ACT, ADDED
18 DECEMBER 15, 1992 (P.L.1129, NO.148), ARE AMENDED TO READ:

19 SECTION 1112. AUTHORITY TO PROMULGATE REGULATIONS.--THE
20 DEPARTMENT SHALL PROMULGATE REASONABLE REGULATIONS TO ESTABLISH
21 MINIMUM STANDARDS FOR MARKETING PRACTICES, [AGENT] PRODUCER
22 COMPENSATION ARRANGEMENTS, [AGENT] PRODUCER TESTING, PENALTIES
23 AND REPORTING PRACTICES FOR LONG-TERM CARE INSURANCE.

24 SECTION 1113. MARKETING AND ADVERTISING PROHIBITED.--NO
25 POLICY MAY BE ADVERTISED, MARKETED OR OFFERED AS LONG-TERM CARE
26 [OR NURSING HOME] INSURANCE UNLESS IT COMPLIES WITH THE
27 PROVISIONS OF THIS ARTICLE.

28 SECTION 1114. PENALTIES.--IN ADDITION TO ANY OTHER PENALTIES
29 PROVIDED BY THE LAWS OF THIS COMMONWEALTH, AN INSURER OR [AGENT]
30 PRODUCER FOUND TO HAVE VIOLATED REQUIREMENTS RELATING TO THE

1 REGULATIONS OF LONG-TERM CARE INSURANCE OR THE MARKETING OF SUCH
2 INSURANCE SHALL BE SUBJECT TO A CIVIL PENALTY OF UP TO THREE
3 TIMES THE AMOUNT OF ANY COMMISSIONS PAID FOR EACH POLICY
4 INVOLVED IN THE VIOLATION OR TEN THOUSAND DOLLARS (\$10,000),
5 WHICHEVER IS GREATER.

6 SECTION 5. SECTION 1703 OF THE ACT, ADDED DECEMBER 18, 1992
7 (P.L.1519, NO.178), IS AMENDED TO READ:

8 SECTION 1703. COVERAGE AND LIMITATIONS.--(A) THIS ARTICLE
9 SHALL PROVIDE COVERAGE TO THE FOLLOWING PERSONS FOR THE POLICIES
10 AND CONTRACTS SPECIFIED IN SUBSECTION (B):

11 (1) TO PERSONS WHO, REGARDLESS OF WHERE THEY RESIDE, EXCEPT
12 FOR NONRESIDENT CERTIFICATE HOLDERS UNDER GROUP POLICIES OR
13 CONTRACTS, ARE THE BENEFICIARIES, ASSIGNEES OR PAYEES OF THE
14 PERSONS COVERED UNDER PARAGRAPH (2).

15 (2) TO PERSONS WHO ARE OWNERS OF OR CERTIFICATE HOLDERS
16 UNDER THESE POLICIES OR CONTRACTS OR, IN THE CASE OF UNALLOCATED
17 ANNUITY CONTRACTS, TO THE PERSONS WHO ARE THE CONTRACT HOLDERS
18 AND WHO:

19 (I) ARE RESIDENTS; OR

20 (II) ARE NOT RESIDENTS, BUT ONLY UNDER ALL OF THE FOLLOWING
21 CONDITIONS:

22 (A) THE INSURERS WHICH ISSUED SUCH POLICIES OR CONTRACTS ARE
23 DOMICILED IN THIS COMMONWEALTH;

24 (B) SUCH INSURERS NEVER HELD A LICENSE OR CERTIFICATE OF
25 AUTHORITY IN THE STATES IN WHICH SUCH PERSONS RESIDE;

26 (C) THESE STATES HAVE ASSOCIATIONS SIMILAR TO THE
27 ASSOCIATION CREATED BY THIS ARTICLE; AND

28 (D) THESE PERSONS ARE NOT ELIGIBLE FOR COVERAGE BY THOSE
29 ASSOCIATIONS.

30 (B) (1) THIS ARTICLE SHALL PROVIDE COVERAGE TO THE PERSONS

1 SPECIFIED IN SUBSECTION (A) FOR DIRECT, NONGROUP LIFE, HEALTH,
2 ANNUITY AND SUPPLEMENTAL POLICIES OR CONTRACTS, FOR CERTIFICATES
3 UNDER DIRECT GROUP POLICIES AND CONTRACTS AND FOR UNALLOCATED
4 ANNUITY CONTRACTS ISSUED BY MEMBER INSURERS, EXCEPT AS LIMITED
5 BY THIS ARTICLE. ANNUITY CONTRACTS AND CERTIFICATES UNDER GROUP
6 ANNUITY CONTRACTS INCLUDE, BUT ARE NOT LIMITED TO, GUARANTEED
7 INVESTMENT CONTRACTS, DEPOSIT ADMINISTRATION CONTRACTS,
8 UNALLOCATED FUNDING AGREEMENTS, ALLOCATED FUNDING AGREEMENTS,
9 STRUCTURED SETTLEMENT AGREEMENTS, LOTTERY CONTRACTS AND ANY
10 IMMEDIATE OR DEFERRED ANNUITY CONTRACTS.

11 (2) THIS ARTICLE SHALL NOT PROVIDE COVERAGE FOR ANY OF THE
12 FOLLOWING:

13 (I) ANY PORTION OF A POLICY OR CONTRACT NOT GUARANTEED BY
14 THE INSURER OR UNDER WHICH THE RISK IS BORNE BY THE POLICY OR
15 CONTRACT HOLDER.

16 (II) ANY POLICY OR CONTRACT OF REINSURANCE, UNLESS
17 ASSUMPTION CERTIFICATES HAVE BEEN ISSUED.

18 (III) ANY PORTION OF A POLICY OR CONTRACT TO THE EXTENT THAT
19 THE RATE OF INTEREST ON WHICH IT IS BASED:

20 (A) AVERAGED OVER THE PERIOD OF FOUR (4) YEARS PRIOR TO THE
21 DATE ON WHICH THE ASSOCIATION BECOMES OBLIGATED WITH RESPECT TO
22 SUCH POLICY OR CONTRACT, EXCEEDS A RATE OF INTEREST DETERMINED
23 BY SUBTRACTING TWO (2) PERCENTAGE POINTS FROM MOODY'S CORPORATE
24 BOND YIELD AVERAGE AVERAGED FOR THE SAME FOUR-YEAR PERIOD OR FOR
25 SUCH LESSER PERIOD IF THE POLICY OR CONTRACT WAS ISSUED LESS
26 THAN FOUR (4) YEARS BEFORE THE ASSOCIATION BECAME OBLIGATED; AND

27 (B) ON AND AFTER THE DATE ON WHICH THE ASSOCIATION BECOMES
28 OBLIGATED WITH RESPECT TO SUCH POLICY OR CONTRACT, EXCEEDS THE
29 RATE OF INTEREST DETERMINED BY SUBTRACTING THREE (3) PERCENTAGE
30 POINTS FROM MOODY'S CORPORATE BOND YIELD AVERAGE AS MOST

1 RECENTLY AVAILABLE.

2 (IV) ANY PLAN OR PROGRAM OF AN EMPLOYER, ASSOCIATION OR
3 SIMILAR ENTITY TO PROVIDE LIFE, HEALTH OR ANNUITY BENEFITS TO
4 ITS EMPLOYEES OR MEMBERS TO THE EXTENT THAT SUCH PLAN OR PROGRAM
5 IS SELF-FUNDED OR UNINSURED, INCLUDING, BUT NOT LIMITED TO,
6 BENEFITS PAYABLE BY AN EMPLOYER, ASSOCIATION OR SIMILAR ENTITY
7 UNDER:

8 (A) A MULTIPLE EMPLOYER WELFARE ARRANGEMENT AS DEFINED IN
9 SECTION 514 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF
10 1974;

11 (B) A MINIMUM PREMIUM GROUP INSURANCE PLAN;

12 (C) A STOP-LOSS GROUP INSURANCE PLAN; OR

13 (D) AN ADMINISTRATIVE SERVICES ONLY CONTRACT.

14 (V) ANY PORTION OF A POLICY OR CONTRACT TO THE EXTENT THAT
15 IT PROVIDES DIVIDENDS OR EXPERIENCE RATING CREDITS OR PROVIDES
16 THAT ANY FEES OR ALLOWANCES TO BE PAID TO ANY PERSON, INCLUDING
17 THE POLICYHOLDER OR CONTRACT HOLDER, IN CONNECTION WITH THE
18 SERVICE TO OR ADMINISTRATION OF SUCH POLICY OR CONTRACT.

19 (VI) ANY POLICY OR CONTRACT ISSUED IN THIS COMMONWEALTH BY A
20 MEMBER INSURER AT A TIME WHEN IT WAS NOT LICENSED OR DID NOT
21 HAVE A CERTIFICATE OF AUTHORITY TO ISSUE SUCH POLICY OR CONTRACT
22 IN THIS COMMONWEALTH.

23 (VII) ANY UNALLOCATED ANNUITY CONTRACT ISSUED TO AN EMPLOYEE
24 BENEFIT PLAN PROTECTED UNDER THE FEDERAL PENSION BENEFIT
25 GUARANTY CORPORATION.

26 (VIII) ANY PORTION OF ANY UNALLOCATED ANNUITY CONTRACT WHICH
27 IS NOT ISSUED TO OR IN CONNECTION WITH A SPECIFIC EMPLOYEE, UNION
28 OR ASSOCIATION OF NATURAL PERSONS BENEFIT PLAN OR A GOVERNMENT
29 LOTTERY.

30 (C) (1) THE BENEFITS FOR WHICH THE ASSOCIATION MAY BECOME

1 LIABLE SHALL IN NO EVENT EXCEED THE LESSER OF:

2 (I) THE CONTRACTUAL OBLIGATIONS FOR WHICH THE INSURER IS
3 LIABLE OR WOULD HAVE BEEN LIABLE IF IT WERE NOT AN IMPAIRED OR
4 INSOLVENT INSURER; OR

5 (II) (A) WITH RESPECT TO ANY ONE LIFE, REGARDLESS OF THE
6 NUMBER OF POLICIES OR CONTRACTS, THE FOLLOWING SHALL APPLY:

7 (I) THREE HUNDRED THOUSAND (\$300,000) DOLLARS IN LIFE
8 INSURANCE DEATH BENEFITS, BUT NOT MORE THAN ONE HUNDRED THOUSAND
9 (\$100,000) DOLLARS IN NET CASH SURRENDER AND NET CASH WITHDRAWAL
10 VALUES FOR LIFE INSURANCE.

11 (II) [ONE HUNDRED THOUSAND (\$100,000) DOLLARS] THREE HUNDRED
12 THOUSAND (\$300,000) DOLLARS IN HEALTH INSURANCE BENEFITS,
13 INCLUDING ANY NET CASH SURRENDER AND NET CASH WITHDRAWAL VALUES.

14 (III) THREE HUNDRED THOUSAND (\$300,000) DOLLARS IN ANNUITY
15 BENEFITS, INCLUDING ONE HUNDRED THOUSAND (\$100,000) DOLLARS IN
16 NET CASH SURRENDER AND NET CASH WITHDRAWAL VALUES.

17 (IV) THREE HUNDRED THOUSAND (\$300,000) DOLLARS IN LONG-TERM
18 CARE INSURANCE BENEFITS, AS DEFINED UNDER SECTION 1103,
19 INCLUDING ANY CASH SURRENDER AND NET CASH WITHDRAWAL VALUES.

20 (B) WITH RESPECT TO EACH INDIVIDUAL PARTICIPATING IN A
21 GOVERNMENTAL RETIREMENT PLAN ESTABLISHED UNDER SECTION 401,
22 403(B) OR 457 OF THE INTERNAL REVENUE CODE OF 1986 COVERED BY AN
23 UNALLOCATED ANNUITY CONTRACT OR THE BENEFICIARIES OF EACH SUCH
24 INDIVIDUAL IF DECEASED, IN THE AGGREGATE, THREE HUNDRED THOUSAND
25 (\$300,000) DOLLARS IN ANNUITY BENEFITS, INCLUDING ONE HUNDRED
26 THOUSAND (\$100,000) DOLLARS IN NET CASH SURRENDER AND NET CASH
27 WITHDRAWAL VALUES.

28 (C) WITH RESPECT TO ANY ONE CONTRACT HOLDER COVERED BY ANY
29 UNALLOCATED ANNUITY CONTRACT NOT INCLUDED IN CLAUSE (B), FIVE
30 MILLION (\$5,000,000) DOLLARS IN BENEFITS, IRRESPECTIVE OF THE

1 NUMBER OF SUCH CONTRACTS HELD BY THAT CONTRACT HOLDER.

2 (2) THE ASSOCIATION SHALL NOT, HOWEVER, BE LIABLE TO EXPEND
3 MORE THAN THREE HUNDRED THOUSAND (\$300,000) DOLLARS IN THE
4 AGGREGATE WITH RESPECT TO ANY ONE INDIVIDUAL UNDER SUBPARAGRAPH
5 (II)(A) AND (B) OF PARAGRAPH (1).

6 SECTION 6. THE AMENDMENT OF SECTION 1703(C)(1)(II)(A)(II)
7 AND (IV) SHALL APPLY TO AN INSOLVENCY OCCURRING ON OR AFTER THE
8 EFFECTIVE DATE OF THIS SECTION.

9 SECTION 7. THE AMENDMENT OF SECTION 1103 OF THE ACT SHALL
10 APPLY TO ALL POLICIES ISSUED ON OR AFTER THE EFFECTIVE DATE OF
11 THIS ACT.

12 SECTION 8. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

13 (1) SECTIONS 5 AND 6 OF THIS ACT AND THIS SECTION SHALL
14 TAKE EFFECT IMMEDIATELY.

15 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
16 DAYS.