
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 914 Session of
2013

INTRODUCED BY WHITE, STACK, RAFFERTY, VULAKOVICH, HUGHES, COSTA,
BAKER AND WOZNIAK, MAY 3, 2013

REFERRED TO BANKING AND INSURANCE, MAY 3, 2013

AN ACT

1 Creating the Insurance Regulation and Oversight Fund; and
2 providing for its use.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Insurance
7 Regulation and Oversight Fund Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Commissioner." The Insurance Commissioner of the
13 Commonwealth or his duly authorized representative.

14 "Department." The Insurance Department of the Commonwealth.

15 "Fund." The Insurance Regulation and Oversight Fund created
16 under this act.

17 Section 3. Purpose and use of fund.

18 (a) Creation and purpose of fund.--To provide for the

1 department's regulation, management, development and oversight
2 of the Commonwealth's insurance industry, beginning July 1,
3 2013, and every fiscal year thereafter, the department's
4 operating costs and expenses shall be paid from a special fund
5 called the Insurance Regulation and Oversight Fund, which is
6 hereby created in the State Treasury.

7 (b) Limitations on use.--Moneys in the fund shall not be
8 used to pay the department's operating costs or expenditures
9 when those costs and expenditures arise from actions, duties or
10 functions that are payable from other dedicated sources of
11 funding including, but not limited to, the following:

12 (1) The rehabilitation and liquidation of insurance
13 companies pursuant to Article V of the act of May 17, 1921
14 (P.L.789, No.285), known as The Insurance Department Act of
15 1921.

16 (2) The Catastrophic Loss Benefits Continuation Fund
17 under 75 Pa.C.S. § 1798.4 (relating to Catastrophic Loss
18 Benefits Continuation Fund).

19 (3) The Underground Storage Tank Indemnification Fund
20 under the act of July 6, 1989 (P.L.169, No.32), known as the
21 Storage Tank and Spill Prevention Act.

22 (4) The Workers Compensation Security Fund pursuant to
23 the act of July 1, 1937 (P.L.2532, No.470), known as the
24 Workers' Compensation Security Fund Act.

25 (5) The Medical Care Availability and Reduction of Error
26 Fund under the act of March 20, 2002 (P.L.154, No.13), known
27 as the Medical Care Availability and Reduction of Error
28 (Mcare) Act.

29 (6) The Children's Health Insurance Program under the
30 act of May 17, 1921 (P.L.682, No.284), known as The Insurance

1 Company Law of 1921.

2 Section 4. Deposit of moneys to the fund and appropriation and
3 expenditure of the fund.

4 (a) Deposits.--The following amounts shall be deposited into
5 the fund:

6 (1) fifty percent of all licenses and fees collected,
7 received or derived by the department each month;

8 (2) all funds and moneys collected, received or derived
9 from all penalties, fines or settlements received by the
10 department; and

11 (3) all augmentations and reimbursements made to the
12 department by regulated entities as a result of financial and
13 market regulation activities for which regulated entities are
14 responsible for payment.

15 (b) Exclusion from deposit.--Moneys collected pursuant to 75
16 Pa.C.S. § 6506 (relating to surcharge) and deposited into the
17 General Fund pursuant to section 1798-E of the act of April 9,
18 1929 (P.L.343, No.176), known as The Fiscal Code, shall not be
19 deposited into the fund.

20 (c) Annual appropriation.--The General Assembly shall
21 annually appropriate moneys from the fund to the department, and
22 the department may expend the appropriated moneys only for the
23 purposes authorized under this act. The department shall
24 annually submit a proposal for its expenditure of fund moneys
25 for the succeeding fiscal year to the Secretary of the Budget at
26 the time or times required by, and in accordance with the act of
27 April 9, 1929 (P.L.177, No.175), known as The Administrative
28 Code of 1929.

29 (d) Fiscal year 2013-2014.--If during the Commonwealth's
30 fiscal year 2013-2014 the commissioner and the Secretary of the

1 Budget determine that the cash balance and the current estimated
2 receipts of the fund are insufficient at any time during that
3 fiscal year to promptly meet the department's expenses payable
4 from the fund, then the State Treasurer is hereby authorized and
5 directed to transfer from the General Fund, Workers'
6 Compensation Security Fund or Underground Storage Tank
7 Indemnification Fund to the fund such moneys as the Governor
8 shall from time to time direct. Moneys transferred from the
9 General Fund, Workers' Compensation Security Fund or Underground
10 Storage Tank Indemnification Fund to the fund shall be available
11 during fiscal year 2013-2014 to be used for the purposes of the
12 fund under this act upon their receipt in the fund. The fund
13 shall reimburse the General Fund, Workers' Compensation Security
14 Fund or Underground Storage Tank Indemnification Fund for any
15 moneys transferred to the fund pursuant to this subsection by
16 transferring to the General Fund, Workers' Compensation Security
17 Fund or Underground Storage Tank Indemnification Fund an amount
18 equal to that transferred from the General Fund, Workers'
19 Compensation Security Fund or Underground Storage Tank
20 Indemnification Fund during fiscal year 2013-2014 at such times
21 as the Governor shall direct, but full reimbursement shall be
22 made from the fund to the General Fund or Workers' Compensation
23 Security Fund or Underground Storage Tank Indemnification Fund
24 before June 15, 2014. The Secretary of the Budget shall notify
25 the chairman and minority chairman of the Appropriations
26 Committee of the Senate and the chairman and minority chairman
27 of the Appropriations Committee of the House of Representatives
28 of any transfers and reimbursements made pursuant to this
29 subsection in writing within 15 days of the date on which they
30 are made.

1 Section 5. Retention.

2 At the end of the fiscal year, the fund shall retain an
3 amount equal to not more than 100% of the total expenditures and
4 commitments by the department from the fund in the immediately
5 preceding fiscal year. If the balance in the fund at the end of
6 the fiscal year exceeds this retention amount, then that amount
7 of the fund which exceeds the retention amount shall be lapsed
8 and deposited in the General Fund within 30 days of the end of
9 the fiscal year.

10 Section 6. Effective date.

11 This act shall take effect immediately.