

BILL ANALYSIS

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Bill Number 2065 Printer's Number 2991 Analysis by Sobal

- Constitutional Amdt.
- New Legislation
- Amends Present Law
- Resolution

Date Analysis 3/30/76
 Date Considered -
 Date Effective -

Vote in committee Yeas _____ Nays _____ Was bill amended _____ (if so, attach amendments and analysis of amendments)

 Attach copy of bill with background data, both pro and con, along with position of the administration if any. Use the following as a checklist in preparing analysis. Not all bills will have all of the elements on the checklist so the list should be used only as a guide. Where not applicable, mark NA. Where analysis is still incomplete because of lack of sufficient data, mark Inc.

- Bill attached Inc. Background attached Administration position
- NA Financial aspects (state, local and federal) Amendments Attached Analyzed
- Purpose of bill People Affected Local governmental units affected
- Who is given jurisdiction over enforcement, if any
- Relationship with other proposed legislation NA Penalties
- NA Give history of public hearings, if any Supporting and opposing organizations.
- NA Outline of repealed legislation, if any



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

MEMO

March 30, 1976

SUBJECT: HB 2065 (PN 2991)--Requiring Notification of Certain Insurance Certificate Holders in the Event of Cancellation

TO: Honorable C. L. Schmitt
Chairman, Consumer Protection Committee

FROM: Joseph Sobel, Legal Counsel

I. Purpose of the Bill

This proposed legislation would prevent the development of situations in which certificate holders under group accident and sickness insurance policies are left without coverage following the termination of the master policy by an employer or other such person, without the knowledge of the certificate holder. The bill would mandate that all such policies would be convertible into individual policies without the necessity that the individual applicant provide evidence of his or his dependents' insurability. Also, the bill provides for notice to the individual certificate holder, or to a labor organization representing covered individuals, of the termination of the policy and provides 15 days after notice during which individual insurance may be obtained, or 90 days for conversion where no notice is given. The right to convert insurance into an individual policy extends to the insured as well as his or her dependents or survivors.

II. People Affected by This Legislation

The bill directly affects only private insurance carriers of group accident and sickness insurance to be sold in Pennsylvania and those individuals, and their dependents or survivors, who are covered by such policies.

III. Local Government Units Affected

None.

IV. Enforcement

The bill would be, as an amendment to the Act of May 17, 1921 (P.L.682, No. 284), known as "The Insurance Company Law of 1921,". Enforcement of the provisions of the bill rests with the Insurance Department to whatever extent and under whatever powers are otherwise specified in that Act.

V. Relationship With Other Bills

Although this bill may be considered to be part of the package concerning insurance, generally it is exclusive in effect and intent.

VI. Repealed Legislation

None.

VII. Supporting and Opposing Organizations

This bill has the support of the United Steel Workers of America, the Pennsylvania AFL-CIO, and the Insurance Federation of Pennsylvania. The bill also has the support of the Pennsylvania Insurance Department.