

PCI: Security Breach, Workers' Comp Highlight First Part of Pa. Session

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The Pennsylvania General Assembly recessed for the summer on Friday, but not before passing key insurance-related legislation involving topics such as the security of personal data and changes to the workers compensation system according to the Property Casualty Insurers Association of America (PCI). The legislature is scheduled to reconvene Sept. 26.

"While we are pleased that Pennsylvania legislators took action on key insurance-related legislation, there is still a long road ahead," said Rey Becker, regional manager for PCI. "Upon reconvening, we urge legislators to continue to focus their efforts on making the state a strong insurance market for insurers and consumers alike." The following is a summary of key insurance-related legislation.

Workers' Compensation

Several bills surfaced so far this session with regard to various reforms in the workers' comp arena. The House unanimously approved HB1548, legislation that provides enhanced fraud penalties. This bill may be a potential vehicle for broader reform amendments in the Senate later in the session.

The Senate Labor and Industry Committee has approved an amended version of SB643, dealing with subcontractors and the definition of "independent contractors" in the context of workers' comp. The bill is pending on the Senate floor, but faces significant opposition from the trial bar and the governor's office. Similar bills, HB1215 and HB1360, are also pending in a House committee and may be the subject of hearings over the summer recess.

Security Breach/Privacy

The Senate also unanimously approved SB712, legislation that provides for the notification of residents whose personal information data was or may have been disclosed due to a security system breach.

Multiple states are currently considering similar legislation. A related bill, SB601 was amended and approved by the Senate Communications and Technology Committee. This bill would restrict the use of Social Security numbers, but does not apply to financial institutions governed by Gramm-Leach-Bliley or persons subject to Fair Credit Reporting Act.

Another bill related to privacy is HB1294, which deals with Event Data Recorders (EDRs). This legislation began as an onerous measure to deny insurers cost-effective access to motor vehicle crash data contained in these devices for claims adjusting. However, the bill was softened considerably by the House Consumer Affairs Committee.

Property and Liability

HB1467 and SB656 seek to create a residential "right to repair" law. The House version was favorably amended and approved by the House Urban Affairs Committee.

HB1783 was recently introduced to establish "medical criteria" for filing asbestos-related lawsuits, as well as an "inactive docket" system for handling pending suits. This bill is similar to recent enactments in Florida, Georgia, Ohio and Texas.

Credit Scoring

While several bills are pending, the credit scoring issue did not gain traction so far this session; however, PCI does expect the issue to receive attention during regional consumer advisory meetings being held around the Commonwealth by the Department's Consumer Liaison.