

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 118** Session of
2011

INTRODUCED BY D. WHITE, STACK, ORIE, M. WHITE, EICHELBERGER AND
MENSCH, JANUARY 12, 2011

REFERRED TO BANKING AND INSURANCE, JANUARY 12, 2011

AN ACT

Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties, and repealing existing laws," further providing for definitions.

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

Section 1. The definition of "company action level event" in section 501-B of the act of May 17, 1921 (P.L.789, No.285), known as The Insurance Department Act of 1921, added June 22, 2000 (P.L.457, No.62), is amended to read:

Section 501-B. Definitions.--The following words and phrases when used in this article shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

* * *

"Company action level event" means any of the following

events:

(1) Filing of an RBC report that indicates that the health organization's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC.

(1.1) Filing of an RBC report that indicates the health organization's total adjusted capital is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 3.0 and the health organization's trend test result triggers regulatory attention as determined in accordance with the Trend Test Calculation included in the RBC instructions.

(2) Notification by the Insurance Department to a health organization of an adjusted RBC report that indicates an event under paragraph (1) or (1.1).

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Section 2. This act shall take effect in 60 days.