

No. 1997-20

## AN ACT

HB 1054

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," providing for sharing of confidential information.

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

Section 1. The act of May 17, 1921 (P.L.789, No.285), known as The Insurance Department Act of 1921, is amended by adding an article to read:

**ARTICLE II-A.**

**AUTHORITY TO SHARE CONFIDENTIAL INFORMATION  
WITH OTHER JURISDICTIONS.**

*Section 201-A. Definitions.—The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:*

*"Commissioner" means the Insurance Commissioner of the Commonwealth.*

*"Company" means any person engaging in or proposing or attempting to engage in any transaction or kind of insurance, surety or annuity business and any person or group of persons who may otherwise be subject to the administrative or regulatory authority of the Insurance Department.*

*"Department" means the Insurance Department of the Commonwealth.*

*"Insurer" means any individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyds insurer and any other legal entity engaged in the business of insurance, including agents and brokers, and also means health plan corporations as defined in 40 Pa.C.S. Chs. 61 (relating to hospital plan corporations) and 63 (relating to professional health services plan corporations), beneficial societies as defined in 40 Pa.C.S. Ch. 67 (relating to beneficial societies), fraternal benefit societies as defined in the act of December 14, 1992 (P.L.835, No.134), known as the "Fraternal Benefit Societies Code," health maintenance organizations as defined in the act of December 29, 1972 (P.L.1701, No.364), known as the*

***“Health Maintenance Organization Act,” and preferred provider organizations as defined in section 630 of the act of May 17, 1921 (P.L.682, No.284), known as “The Insurance Company Law of 1921,” and 31 Pa. Code § 152.2 (relating to definitions).***

***“Person” means any individual, aggregation of individuals, trust, association, partnership or corporation, or any affiliate thereof.***

***Section 202-A. Authority to Share Confidential Information.—(a) The commissioner shall maintain as confidential any documents, materials or other information received from the National Association of Insurance Commissioners, or its successor organization, or from regulatory or law enforcement officials of this Commonwealth or other jurisdictions in which the documents, materials or other information are confidential by law in those jurisdictions. Documents, materials or other information obtained by the commissioner under this section shall be given confidential treatment, may not be subject to subpoena and may not be made public by the commissioner or any other person.***

***(b) The commissioner may share confidential documents, materials or other information relating to any company, insurer or person with regulatory or law enforcement officials of this Commonwealth or other jurisdictions as long as, prior to receiving the documents, materials or other information, those parties demonstrate by written statement the necessary authority and intent to provide to it the same confidential treatment as required by this article. Access may also be granted to the National Association of Insurance Commissioners, or its successor organization, if, prior to receiving the information, the organization demonstrates by written statement the intent to provide to it the same confidential treatment as required by this article.***

Section 2. This act shall take effect immediately.

APPROVED—The 18th day of June, A.D. 1997.

THOMAS J. RIDGE