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A message from the Insurance Commissioner...

The theme of the Insurance Department and insurance industry working together for the benefit of Pennsylvania consumers is one I want to return to as often as possible. I believe this is the best way to make sure consumers can find the coverage they need at affordable prices and continue to provide a competitive market, which also benefits Pennsylvania businesses and families and provides more opportunities for insurance industry professionals.



I discussed these ideas this month in remarks to the Insurance Federation of Pennsylvania. My department is encouraging homeowners to look into private market flood insurance and renters to consider renters insurance, and we are also exploring the challenges facing the long term care insurance market and opportunities to address these challenges through work we are leading with the NAIC. While first and foremost designed to protect and educate consumers, these initiatives are also likely to create more business opportunities for the industry.

These goals are not mutually exclusive. By making people aware of insurance coverage they should consider and how to find the best deal on this coverage, my department helps ensure that consumers are protected if bad things happen. Helping people get the coverage they should have to protect their families and belongings can also create more business for the industry.

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A message from the Insurance Commissioner...

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Heeding Gov. Wolf's call for more transparency in government also helps consumers know more about the insurance products they are buying and may also benefit the industry as more informed customers get the coverage they need. We continued that work this month with the posting of the full rate request filings by the 18 companies offering individual health plans under the Affordable Care Act and the 20 companies

offering small group plans on our website. It is my hope that access to comprehensive information will help more Pennsylvanians find the health care coverage they need.

As always, we must look to the future. I am pleased that the Insurance Department's Policy Director is part of a task force Gov. Wolf created to investigate testing of autonomous, or self-driving, cars here in Pennsylvania. A bill to set up guidelines for this testing includes a requirement that any

companies doing such work have \$5 million in liability insurance coverage. Insurance issues will be a big part of the development of this technology, and having a seat on this task force makes sure the Insurance Department will have a role as testing and eventual use of autonomous vehicles takes place.

Thank you,

Teresa Miller
Insurance Commissioner

Commissioner Miller Speaks to PA State Association of Boroughs

Continuing her campaign to help homeowners throughout Pennsylvania, Commissioner Miller briefed borough leaders on the Insurance Department's recent outreach efforts on flood insurance.

Addressing the Pennsylvania State Association of Boroughs' 105th annual conference, Commissioner Miller encouraged the borough officials in attendance to take a newly-released flier on flood insurance home with them and share the information with their constituents. The commissioner discussed the situations of two boroughs -- Ford City in Armstrong County and Lehighton in Carbon County -- in which much of the municipalities have recently been re-mapped into flood zones by the Federal Emergency Management Agency (FEMA), even though many residents in both boroughs have never experienced flooding.

While conducting research to put together c o m p r e h e n s i v e

information for consumers on flood insurance, Commissioner Miller found that in many cases, comparable private market flood insurance is significantly less expensive than the federal government's National Flood Insurance Program (NFIP) product. Private insurers began entering the residential flood market only in the last three years, after the NFIP fell about \$24 billion in debt following overwhelming claims from Hurricane Katrina and Superstorm Sandy. Congress then passed legislation requiring premium subsidies that NFIP had offered for

higher risk properties to be phased out, causing premiums to rise for many homeowners. At the same time, FEMA re-mapped the country using a 100-year flood projection, placing many properties in flood zones that had not been there previously and have rarely or never experienced flooding.

While finding lower cost coverage is important for homeowners, Commissioner Miller also said the issue is one of importance for the state's boroughs. Expensive flood insurance can lower property values, which can hurt that community's ability to raise the revenue needed to provide important local services.

Commissioner Miller told the borough leaders that she is pleased 38 insurance producers selling private flood coverage through surplus lines in Pennsylvania, as well as 13 companies licensed in Pennsylvania, have signed up to be listed on the department's flood webpage.



Commissioner Miller speaks at the Pennsylvania State Association of Boroughs' annual conference.

Commissioner Miller Appointed to Congressional Budget Office Panel of Advisers

Commissioner Miller has been appointed as a member of the Congressional Budget Office's (CBO) Panel of Health Care Advisers.

The commissioner said this position will give her the opportunity to offer input on the potential impact that various federal policies and proposed legislation may have on Pennsylvania's health care consumers and ensure that consumers' voices are heard as the CBO prepares its financial analysis of bills before Congress.

The CBO is a strictly nonpartisan

federal agency, which conducts objective and impartial analysis of budgetary and economic issues to support the Congressional budget process.

The CBO says its panels of advisers are selected to represent a variety of perspectives so the agency can gather information and insights from experts with diverse views as well as from the interactions between those experts at panel meetings.

Panel members, who serve three-year terms, include academics with expertise in economics, health care, medicine, and insurance, state

government officials, and insurance industry executives. Commissioner Miller is the only state insurance commissioner on the panel.

Commissioner Miller notes that her being on the panel will allow the state level perspective from insurers as well as consumers to be heard. The commissioner said as the federal government continues to look at ways to improve the health care system and control health care spending, it is critical that they understand what is happening in markets across the country and how consumers are being impacted.

Insurance Department Posts Complete 2017 ACA Rate Filings

To help consumers get a better idea of how proposed rate increases for individual health care plans under the Affordable Care Act could affect them, Commissioner Miller has again made available potential premiums for each of Pennsylvania's nine rating areas based on submitted 2017 rate filings. This gives consumers the opportunity to see, firsthand, the potential benefit of shopping for the different coverage options during open enrollment.

These rates are on the department website's homepage, www.insurance.pa.gov, under "Proposed 2017 ACA Rates by Rating Area."

Posting this information gives consumers a better handle on what the proposed changes in rates offered

by the various health plans could mean in terms of actual premium costs. However, Commissioner Miller is reminding consumers that 75 percent of Pennsylvanians who purchased health coverage through the federal government exchange at www.healthcare.gov receive subsidies to help defray these costs. She also notes subsidies in 2016 are available for individuals with incomes up to \$47,250, and for a family of four with an income up to

\$97,200.

Posting the proposed rates for plans available in a given area is intended to encourage people to shop for coverage. Commissioner Miller notes that many people who switch plans can save money compared to their current plan's proposed rates and that 52 percent of Pennsylvanians who had ACA plans in 2014 and stayed with this coverage for 2015 did switch to a different plan.

Consumers should keep in mind that the rates posted are only proposed and are not final at this time. Commissioner Miller is welcoming public comments on these proposals at ra-rateform@pa.gov. She will consider these comments as proposed rates are reviewed. Final rates will be announced in October.



Pennsylvania is divided into nine rating areas. Potential premiums for plans being sold for 2017 can be viewed by clicking this map.

Insurance Department Represented on Autonomous Vehicles Task Force

Gov. Wolf is preparing Pennsylvania to be at the forefront of the emerging technology of autonomous or self-driving vehicles. To achieve this goal, the governor created the Autonomous Vehicles Testing Policy Task Force, chaired by PennDOT, which will collaboratively develop guidance that PennDOT will use when drafting policy related to autonomous vehicle use.

Commissioner Miller said she is pleased that the Insurance Department's Policy Director is a member of this task force. The commissioner believes having a seat on this task force will give the department and its interested

stakeholders a direct voice to make sure insurance issues are addressed as developments continue.

Being on the cutting edge of new technology has the potential to bring jobs to Pennsylvania. Carnegie Mellon University, which hosted the task force's first meeting earlier this month, already has autonomous vehicles, including a 2011 Cadillac SRX that takes ramps, merges onto highways, and cruises at 70 mph.

The task force will examine Senate Bill 1268, pending legislation that would:

- Provide for controlled automated vehicle testing, not operation;
- Allow flexibility to adapt to

changing technology;

•Require companies interested in testing to submit an application and provide proof of \$5 million in general liability insurance; and,

•Allow support for in-vehicle and remote-operator testing, considered the "Full Self-Driving Automation" level, the highest level of automation as defined by the National Highway Traffic Safety Administration.

Commissioner Miller said there are many insurance issues that must be handled as self-driving car technology moves forward so Pennsylvanians can be properly protected before these vehicles can operate on state highways.

Commissioner Miller Speaks to Insurance Federation of Pennsylvania

Stressing the theme of how a competitive market is important to protect consumers, Commissioner Miller talked about her efforts to maintain Pennsylvania's competitive insurance marketplace while fulfilling Gov. Wolf's top priority of consumer protection in an address to the Insurance Federation of Pennsylvania during the organization's annual lobbying days in Harrisburg. The commissioner said in her remarks that transparency in the way the department does business and providing a level playing field for all insurers are two ways to attract and keep insurers, and provide this competitive market.

As the Insurance Department begins its review of proposed rates for 2017 individual and small group health insurance plans under the Affordable Care Act, Commissioner Miller told the insurance professionals that she is pleased 20 companies will offer small group plans and 18 companies will

offer individual plans. Every Pennsylvanian will have the choice of at least eight different plans. Especially in the individual market, however, several of the proposed rates contain large increases from this year. The commissioner said consumer impact is a top priority as she reviews these rates, but this is an example of where she must consider the companies' need for fair rates to keep Pennsylvania an attractive market for these insurers.

Among areas where the

department is encouraging consumers to make sure they have proper coverage at the best price is flood insurance, which could lead to more opportunities for insurers. Commissioner Miller created a one-stop webpage including information on private market flood coverage. The department also has a new flier and initiative to encourage more tenants to consider renters insurance. The department is leading efforts through the NAIC to try to address the challenges facing the long term care insurance market, with the goal of increasing the take up rate of private insurance by, among other things, encouraging innovation in product design so consumers have products available that provide value at affordable prices. Finally, to help new drivers better understand auto insurance, the department is launching a classroom lesson, Insurance 101, that will be available to teachers across the state.



Commissioner Miller speaks to insurance professionals at an event sponsored by the Insurance Federation of Pennsylvania.

Insurance Department on the Road

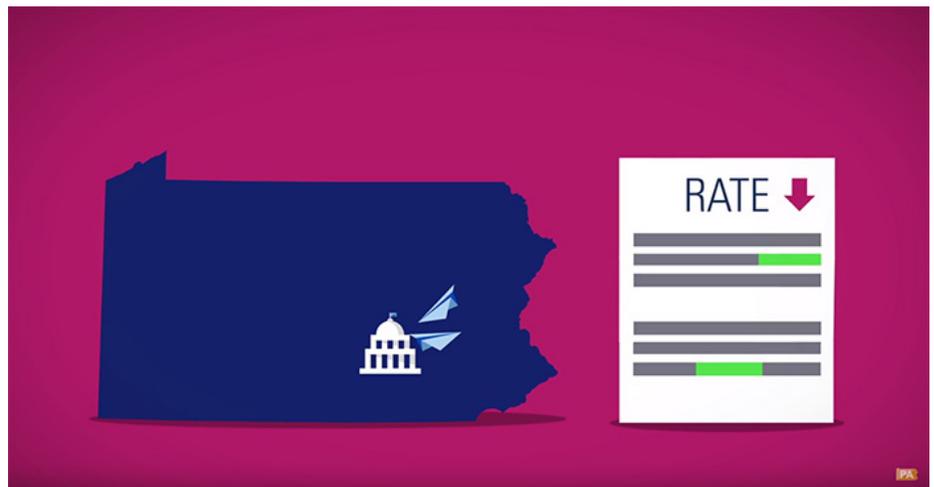
For Consumer Groups & the Public

- **7/7/2016 - Harrisburg Senators - First National Bank Field, Harrisburg, PA - 7 p.m.**
- **7/12/2016 - Senator Don White and Rep. Eric Nelson's Senior Fair - Delmont Fire Hall, Delmont, PA - 10 a.m. - 1 p.m.**
- **7/13/2016 - AARP PA Fraud Watch Network Abagnale Event - Monroeville Convention Center, Monroeville, PA - 7 p.m. - 8 p.m.**
- **7/25/2016 - Rep. Carl Metzgar's Senior Expo - Somerset Junior High School, Somerset, PA - 9 a.m. - 12 p.m.**

Rate Review Video

In conjunction with the announcement of 2017 ACA rate filings, the department released a video to help consumers learn how the rate review process works.

"How Are Health Insurance Rates Decided?" is the third video in a series designed to help consumers gain an understanding of how health insurance works. To watch the video, click the picture. To view previous videos in the series, visit our Health page.



Recent Press Releases

- June 24, 2016 - Insurance Commissioner Conveys Importance of Mental Health and Substance Use Disorder Coverage
- June 14, 2016 - Insurance Commissioner Named to Congressional Budget Office Panel of Health Care Advisers
- June 9, 2016 - Insurance Commissioner Offers Tips to Homeowners on Severe Weather Preparation
- June 6, 2016 - Insurance Commissioner Touts Wolf Administration Work to Help Homeowners Save Money on Flood Insurance
- May 25, 2016 - Pennsylvania Market Remains Competitive As Review Process Begins for Health Plans in 2017
- May 17, 2016 - Insurance Commissioner Offers Consumer Tips as U.S. Open and DNC May Spur Airbnb Use
- May 11, 2016 - Insurance Commissioner Congratulates Recent College Graduates, Offers Advice on New Health Insurance Needs
- May 5, 2016 - Insurance Commissioner Outlines Wolf Administration Consumer Protection and Outreach Initiatives