
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 227 Session of
2013

INTRODUCED BY DELUCA, BOBACK, FABRIZIO, FRANKEL, MUNDY,
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JANUARY 22, 2013

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 22, 2013

AN ACT

1 Providing for Internet advertisements for insurance, for
2 advertisements relating to Medicare program, for
3 advertisements relating to preferred provider benefit plans,
4 for advertising regarding guaranteed renewable coverage, for
5 enforcement, for remedies and for private cause of action;
6 and imposing a duty on the Insurance Department.

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Truth in
11 Insurance Advertising over the Internet Act.

12 Section 2. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Commissioner." The Insurance Commissioner of the
17 Commonwealth.

18 "Department." The Insurance Department of the Commonwealth.

19 "Institutional advertisement." A general advertisement of an

1 insurer or producer that is intended to promote interest in the
2 concept of insurance or to promote a producer or insurer. The
3 term includes pages on an Internet website that do not refer to
4 a specific insurance policy, certificate of coverage or evidence
5 of coverage or that do not provide an opportunity for an
6 individual to apply for coverage or to request a quote.

7 "Insurer." An insurance company, association, exchange,
8 interinsurance exchange, health maintenance organization,
9 preferred provider organization, professional health services
10 plan corporation subject to 40 Pa.C.S. Ch. 63 (relating to
11 professional health services plan corporations), hospital plan
12 corporation subject to 40 Pa.C.S. Ch. 61 (relating to hospital
13 plan corporations), fraternal benefit society, beneficial
14 association, Lloyd's insurer or health plan corporation.

15 "Producer." A person required to be licensed under the laws
16 of this Commonwealth to sell, solicit or negotiate insurance.
17 Section 3. Internet advertisements for insurance.

18 (a) Requirement.--A web page of an insurer's Internet
19 website shall include the appropriate disclosures and
20 information required by applicable rules and regulations adopted
21 by the department relating to advertising only if the web page:

22 (1) describes specific policies or coverage available in
23 this Commonwealth; or

24 (2) includes an opportunity for an individual to apply
25 for coverage or obtain a quote from an insurer for an
26 insurance policy or certificate or other evidence of
27 coverage.

28 (b) Compliance with requirement.--An insurer may comply with
29 subsection (a) by including a link to a web page that includes
30 the information necessary to comply with the applicable rules

1 relating to advertising. The link permitted under this
2 subsection shall be prominently placed on the insurer's web
3 page.

4 (c) Institutional advertisements.--

5 (1) Web pages of an Internet website that do not refer
6 to a specific insurance policy, certificate of coverage or
7 evidence of coverage or that do not provide an opportunity
8 for an individual to apply for coverage or request a quote
9 from an insurer are considered to be institutional
10 advertisements subject to the regulations adopted by the
11 department relating to advertising.

12 (2) Web pages or navigation aids within an insurer's
13 Internet website that provide a link to a web page described
14 by subsection (a) but that do not otherwise contain content
15 described in subsection (b) are considered to be
16 institutional advertisements subject to rules adopted by the
17 department relating to advertising.

18 Section 4. Advertisements relating to Medicare program.

19 A person may not use an advertisement for an insurance
20 product relating to Medicare coverage unless the advertisement
21 includes, in a prominent place, the following language or
22 similar language: Not connected with or endorsed by the United
23 States Government or the Federal Medicare program.

24 Section 5. Advertisements relating to preferred provider
25 benefit plans.

26 It is sufficient for an insurer to use the term "PPO plan" in
27 advertisements when referring to a preferred provider benefit
28 plan offered under the act of May 17, 1921 (P.L.682, No.284),
29 known as The Insurance Company Law of 1921.

30 Section 6. Advertising regarding guaranteed renewable coverage.

1 (a) Required statement.--An advertisement for a guaranteed
2 renewable accident and health insurance policy shall include, in
3 a prominent place, a statement indicating that rates for the
4 policy may change if the advertisement suggests or implies that
5 rates for the product will not change.

6 (b) Identifying the manner of change.--If an advertisement
7 is required to include the statement described by subsection
8 (a), the statement shall generally identify the manner in which
9 rates may change, such as by age, by health status, by class or
10 through application of other general criteria.

11 Section 7. Enforcement.

12 Upon a determination by hearing that this act has been
13 violated, the commissioner may pursue one or more of the
14 following courses of action:

15 (1) Issue an order requiring the person in violation to
16 cease and desist from engaging in the violation.

17 (2) Suspend or revoke or refuse to issue or renew the
18 certificate or license of the person in violation.

19 (3) Impose a civil penalty of not more than \$5,000 for
20 each violation.

21 (4) Impose any other penalty or remedy deemed
22 appropriate by the commissioner, including restitution.

23 Section 8. Remedies.

24 The enforcement remedies imposed under this section are in
25 addition to other remedies or penalties that may be imposed by
26 any other applicable statute, including the act of July 22, 1974
27 (P.L.589, No.205), known as the Unfair Insurance Practices Act.
28 Violations of this act are deemed and defined by the
29 commissioner to be an unfair method of competition and an unfair
30 or deceptive act or practice under the Unfair Insurance

1 Practices Act.

2 Section 9. Private cause of action.

3 Nothing in this act shall be construed to create or imply a
4 private cause of action for a violation of this act.

5 Section 10. Rules and regulations.

6 The department shall promulgate rules and regulations
7 necessary for the administration and enforcement of this act.

8 Section 20. Effective date.

9 This act shall take effect in 60 days.