



**HEALTH
ADVOCATES**

SUBJECT: Clarifying Questions Regarding SB1222

May 17, 2022

Dear, Senator John DiSanto,

First, we would like to thank you for your continued service in the Commonwealth. As a business owner in Lancaster County, we routinely serve businesses and individual constituents in and around your district. As you serve the capital, we are additionally thankful to your commitments in meeting the needs of Central Pennsylvania residents.

We are reaching out because on 5/16 we noticed SB1222 under printer number 1646 was forwarded to Banking and Insurance, of which you are the committee chair. We were looking for clarification on the bill as it pertains to governance guardrails.

In the insurance industry we consider Insurers, and subsequent holding companies, barring the obvious complexity of the industry, akin to product manufacturers and distributors. If we look at retail, this would be like PUMA manufacturing shoes, and selling their products at a PUMA Outlet in Hershey. The Holding company is comprised of both the product producer and the direct stores. It, however, does not extend to the Shoe Carnival that resells PUMA shoes. The same holds true in the insurance industry. If an insurance company has locations where AGENTS sell their products only, then those agencies should be governed under this legislation.

When a broker, who has no individual ties to any one carrier, puts 50 different "pairs of shoes" on their shelf to help consumers find the right fit, then that BROKER should be held independent and separate to the carrier. SB1222 doesn't delineate between Agent and Broker responsibilities, and we'd like to clarify if this can be amended within the bill, or clarification can be made on the role of Brokers versus Agents when interpreting the law.

Thank you!

Joshua Brooker, REBC®, ABHP, ASFC
PA Health Advocates, LLC