

Legislation Details (With Text)

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Title:	Calling on the Pennsylvania Insurance Commissioner to begin an immediate investigation to ascertain how much of insurance companies' tax cuts should be passed on to consumers in the form of lower rates.				
Sponsors:	Councilmember Bass, Councilmember Jones, Councilmember Quiñones Sánchez, Councilmember Green, Councilmember Greenlee, Councilmember Henon, Councilmember Johnson, Councilmember Squilla				
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Date	Ver.	Action By	Action	Result	Tally
4/5/2018	0	CITY COUNCIL	ADOPTED		
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Calling on the Pennsylvania Insurance Commissioner to begin an immediate investigation to ascertain how much of insurance companies' tax cuts should be passed on to consumers in the form of lower rates.

WHEREAS, The Tax Cuts and Jobs Act of 2017 lowers the corporate income tax rate permanently from 35 to 21 percent; and

WHEREAS, Since the law was enacted corporations have funneled the vast majority of tax cut benefits into stock buybacks totaling \$171 billion rather than worker investments like pay raises and job training; and

WHEREAS, The country's major for-profit insurance companies will see their earnings rise anywhere from 24 to 62 percent under the law, according to The Washington Post; and

WHEREAS, Several health insurance companies have already announced plans to pass their tax cuts savings on to consumers; and

WHEREAS, Horizon Blue Cross Blue Shield of New Jersey recently announced it will share some of the proceeds from the federal tax cuts by returning \$150 million to policyholders this year, and devote \$125 million to expand community health services over the next five years; and

WHEREAS, Premera Blue Cross will use \$200 million of its \$390 million tax cut to stabilize health insurance in Washington state in 2019, particularly in rural counties; and

WHEREAS, North Carolina's largest health insurance company, Blue Cross Blue Shield NC, also announced its plan to donate \$50 million to charities, non-profits and health-care initiatives across the state; and

WHEREAS, The Pennsylvania Insurance Commissioner sets insurance rates on regulated lines of insurance based, in part, on what the company pays in federal taxes; and

WHEREAS, Health insurance companies that operate in Pennsylvania have a responsibility to ensure that consumers are not overpaying for coverage while reaping immense profits under the new tax cut law; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby calls on the Pennsylvania Insurance Commissioner to begin an immediate investigation to ascertain how much of an insurance companies' tax cuts should be passed on to consumers in the form of lower rates.