



**INDEPENDENT REGULATORY REVIEW COMMISSION  
COMMONWEALTH OF PENNSYLVANIA  
333 MARKET STREET  
14TH FLOOR  
HARRISBURG, PA 17101**

**(717) 783-5417  
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December 3, 1998

Honorable M. Diane Koken, Commissioner  
Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

Re: IRRC Regulation #11-147 (#1987)  
Insurance Department  
Private Passenger Automobile Policy Forms

Dear Commissioner Koken:

Enclosed are our Comments on your proposed regulation #11-147. They are also available on our website at <http://www.irrc.state.pa.us>.

The Comments list our objections and suggestions for your consideration when you prepare the final version of this regulation. We have also specified the regulatory criteria which have not been met. These Comments are not a formal approval or disapproval of the proposed version of this regulation.

If you want to meet with us to discuss these Comments, please contact James M. Smith at 783-5439.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Nyce".

Robert E. Nyce  
Executive Director

REN:kgg

Enclosure

cc: Pete Salvatore

Office of General Counsel

Office of Attorney General

Pete Tartline

**COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION**

**ON**

**INSURANCE DEPARTMENT REGULATION NO. 11-147**

**PRIVATE PASSENGER AUTOMOBILE POLICY FORMS**

**DECEMBER 3, 1998**

We have reviewed this proposed regulation from the Insurance Department (Department) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to need and clarity. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

**Chapter 64. Private passenger automobile policy forms. - Need and Clarity**

Chapter 64 provides the specific standards the Department will use to evaluate a policy for readability. The Department is proposing to delete these requirements and rely on its general statutory authority to reject policies that are not clear. Comments were submitted both in support of deleting Chapter 64 and in opposition to deleting Chapter 64.

Portions of Chapter 64 are outdated or overly burdensome. However, most of Chapter 64 provides minimum standards for how a policy is expected to be written and structured. This detail is not found in the statute. If Chapter 64 is deleted in its entirety, there will be no clear standards to evaluate policies for readability. The Department should reconsider and explain the need to delete Chapter 64 in its entirety as opposed to revising it.