

JOHN R. MCGINLEY, JR., ESQ., CHAIRMAN
ALVIN C. BUSH, VICE CHAIRMAN
ARTHUR COCCODRILLI
ROBERT J. HARBISON, III
JOHN F. MIZNER, ESQ.
ROBERT E. NYCE, EXECUTIVE DIRECTOR
MARY S. WYATTE, CHIEF COUNSEL



PHONE: (717) 783-5417
FAX: (717) 783-2664
irrc@irrc.state.pa.us
<http://www.irrc.state.pa.us>

INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

August 19, 1999

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

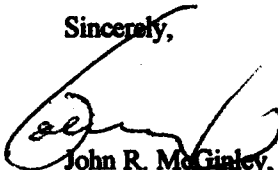
Re: IRRC Regulation #11-190 (#1989)
Insurance Department
Minimum Reserve Standards for Individual and Group
Health and Accident Insurance Contracts

Dear Commissioner Koken:

The Independent Regulatory Review Commission approved the subject regulation at its August 19, 1999 public meeting. Our Order is enclosed and is available on our website at <http://www.irrc.state.pa.us>.

We appreciate the joint effort that went into producing a regulation that met the criteria and intent of the Regulatory Review Act.

Sincerely,



John R. McGinley, Jr.
Chairman

JRM:cae
Enclosure
cc: Pete Salvatore

INDEPENDENT REGULATORY REVIEW COMMISSION

14th Floor, 333 Market Street
Harrisburg, PA 17101

Commissioners Present:

Public Meeting Held August 19, 1999

John R. McGinley, Jr., Chairman
Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
Robert J. Harbison, III
John F. Mizner

Insurance Department
Minimum Reserve Standards for Individual and Group Health
and Accident Insurance Contracts

Regulation No. 11-190

BY ORDER OF THE COMMISSION

On September 23, 1998, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Insurance Department (Insurance). This rulemaking amends 31 Pa. Code §§ 84a.1 – 84a.4 and 84a.6. The authority for this regulation is Sections 206, 506, 1501 and 1502 of the Administrative Code (71 P.S. §§ 66, 186, 411 and 412), and Sections 301.1 and 311.1 of the Insurance Department Act (40 P.S. §§ 71.1 and 93). The proposed regulation was published in the October 3, 1998 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on July 20, 1999.

This regulation updates, clarifies and modifies minimum standards for insurers in calculating financial reserves for health and accident insurance contracts. It also modifies the minimum contract reserve standards for long-term care insurance.

We have reviewed this regulation and find it to be in the public interest. This regulation is a practical renovation and adjustment to recent changes in federal law.

THEREFORE, IT IS ORDERED THAT:

1. Regulation No. 11-190 from the Insurance Department, as submitted to the Commission on July 20, 1999, is approved; and
2. The Commission will transmit a copy of this Order to the Legislative Reference Bureau.



John R. McGinley, Jr., Chairman

