The Insurance Federation of Pennsylvania, Inc.

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John R. Doubman Secretary & Counsel May 16, 2001

Robert E. Nyce Executive Director Independent Regulatory Review Commission 333 Market Street Harrisburg, PA 17101

Re: Regulation 11-197 - Insurance Department's Discounting Medical Malpractice Loss Reserves

Dear Mr. Nyce:

The Insurance Federation supports the captioned final form regulation to be considered by the Independent Regulatory Review Commission on May 17. The regulation amends Chapter 118 on the discounting of medical malpractice loss reserves to prohibit the discounting of loss reserves on policies effectuated after its effective date.

The Federation worked with the Insurance Department on the final form regulation and approves of the modifications made in it to alleviate the concerns of the Federation. This will place the Federation's approval on record.

Sincerely,

J**o**hn R. Doubman

c: Peter J. Salvatore, Regulatory Coordinator Pennsylvania Insurance Department

Fiona E. Wilmarth, Regulatory Analyst Independent Regulatory Review Commission