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

September 26, 2002

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

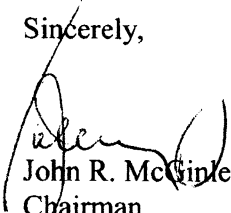
Re: Regulation #11-204 (IRRC #2263)  
Insurance Department  
Safeguarding Insurer Securities

Dear Commissioner Koken:

The Independent Regulatory Review Commission approved your regulation today. Our Order is enclosed and is available on our website at [www.irrc.state.pa.us](http://www.irrc.state.pa.us).

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

Sincerely,

  
John R. McGinley, Jr.  
Chairman

evp

Enclosure

cc: Honorable Nicholas A. Micozzie, Majority Chairman, House Insurance Committee  
Honorable Anthony DeLuca, Democratic Chairman, House Insurance Committee  
Honorable Edwin G. Holl, Chairman, Senate Banking and Insurance Committee  
Honorable Jack Wagner, Minority Chairman, Senate Banking and Insurance Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION  
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held September 26, 2002

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

Regulation No. 11-204  
Insurance Department  
Safeguarding Insurer Securities

On April 1, 2002, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Insurance Department (Department). This rulemaking deletes 31 Pa. Code Chapters 148 and replaces it with new Chapter 148a. The proposed regulation was published in the April 13, 2002, *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on September 5, 2002.

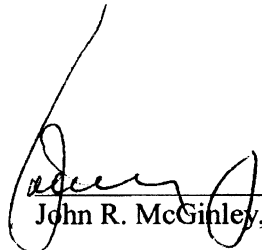
This regulation prescribes permissible methods of holding securities owned by various types of insurers regulated by the Department. It also prescribes the requirements of the custodial agreements under which the securities are held.

We have determined this regulation is consistent with the statutory authority of the Insurance Department (71 P.S. §§ 66, 186, 411 and 412) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

**BY ORDER OF THE COMMISSION:**

This regulation is approved.



  
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John R. McGinley, Jr., Chairman