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

September 13, 2002

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

Re: Regulation #11-210 (IRRC #2279)
Insurance Department
Workers' Compensation Security Fund

Dear Commissioner Koken:

Enclosed are the Commission's Comments which list objections and suggestions for consideration when you prepare the final version of this regulation. These Comments are not a formal approval or disapproval; however, they specify the regulatory criteria which have not been met.

The Comments will soon be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact my office at 783-5417.

Sincerely,

Robert E. Nyce
Executive Director
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

Comments of the Independent Regulatory Review Commission

on

Insurance Department Regulation No. 11-210

Workers' Compensation Security Fund

September 13, 2002

We submit for your consideration the following objections and recommendations regarding this regulation. Each objection or recommendation includes a reference to the criteria in the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) which have not been met. The Insurance Department must respond to these Comments when it submits the final-form regulation. If the final-form regulation is not delivered within two years of the close of the public comment period, the regulation will be deemed withdrawn.

Section 165.7. Assessment. – Clarity.

This section describes the process of determining, billing and collecting insurance carriers' assessments for the Workers' Compensation Security Fund. We have two issues.

First, Subsection (c) states, "The assessment, when necessary, will be billed by December 31 of the year subsequently used in the actuarial study." The reference to "the year subsequently used in the actuarial study" is confusing. It is our understanding that the bill will be issued by December 31 of the year in which the actuarial study is **completed**. This subsection should be amended in the final-form regulation to clearly reflect the timing of the bill. Additionally, the Department should consider adding an example to clarify this subsection.

Second, there is an extra word in Subsection (d). The Department should delete the word "be" in the phrase "is be due by March 31."