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

July 15, 2004

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

Re: Regulation #11-217 (IRRC #2384)
Insurance Department
Annual Audited Insurers' Financial Report Required

Dear Commissioner Koken:

The Independent Regulatory Review Commission approved the subject regulation today. Our Order is enclosed and will be available on our website at 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,

Alvin C. Bush
Vice Chairman

evp

Enclosure

cc: Honorable Nicholas A. Micozzie, Majority Chairman, House Insurance Committee
Honorable Tony DeLuca, Democratic Chairman, House Insurance Committee
Honorable Gibson E. Armstrong, 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 July 15, 2004

John R. McGinley, Jr., Esq., Chairman, by Phone
Alvin C. Bush, Vice Chairman
Daniel F. Clark, Esq.
Arthur Coccodrilli
Murray Ufberg, Esq.

Regulation No. 11-217
Insurance Department
Annual Audited Insurers' Financial Report
Required

On February 2, 2004, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Insurance Department (Department). This rulemaking amends 31 Pa. Code Chapter 147. The proposed regulation was published in the February 14, 2004 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on June 11, 2004.

This regulation updates the requirements for annual audits of insurers' financial statements by certified public accountants. The amended requirements reflect the 2002 and 2003 model rules published by the National Association of Insurance Commissioners.

We have determined this regulation is consistent with the statutory authority of the Department (71 P.S. § 186) 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.





Alvin C. Bush, Vice Chairman