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## INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

August 20, 2009

Honorable Joel Scott Ario, Commissioner  
Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

Re: Regulation #11-238 (IRRC #2740)  
Insurance Department  
Annual Audited Insurers' Financial Report Required

Dear Commissioner Ario:

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](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,

Arthur Coccodrilli  
Chairman  
wbg  
Enclosure

cc: Honorable Donald C. White, Majority Chairman, Senate Banking and Insurance Committee  
Honorable Michael J. Stack, III, Minority Chairman, Senate Banking and Insurance Committee  
Honorable Tony DeLuca, Majority Chairman, House Insurance Committee  
Honorable Nicholas A. Micozzie, Minority Chairman, House Insurance Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION  
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held August 20, 2009

Arthur Coccodrilli, Chairman  
George D. Bedwick, Vice Chairman  
Silvan B. Lutkewitte III, Abstained  
John F. Mizner, Esq.

Regulation No. 11-238 (#2740)  
Insurance Department  
Annual Audited Insurers' Financial  
Report Required

On February 3, 2009, 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, 2009 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on July 20, 2009.


This regulation updates existing Chapter 147 also known as the "CPA Audit Rule." The chapter sets forth procedures and standards for certified public accountants performing annual audits of insurers' year-end financial statements. The intent of this rulemaking is to bring Chapter 147 into consistency with the 2006 amendments to the "Annual Financial Reporting Model Regulation" (Model Regulation 205) of the National Association of Insurance Commissioners.

We have determined this regulation is consistent with the statutory authority of the Department (71 P.S. §§ 66, 186, 411 and 412; and 40 P.S. §§ 443, 764a, 967, 991.2452, 1303.731, 1561, 1564, 1600.205, 1600.206, 3207, 3225, 6125, 6331 and 6701) 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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Arthur Coccodrilli, Chairman