

RULES AND REGULATIONS

Title 31—INSURANCE

INSURANCE DEPARTMENT

[31 PA. CODE CH. 111]

Pennsylvania Fair Plan

The Insurance Department (Department) hereby deletes Chapter 111 (relating to Pennsylvania Fair Plan) under the authority of sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 66, 186, 411 and 412); and The Pennsylvania Fair Plan Act (act) (40 P. S. §§ 1600.101—1600.502).

Purpose

The purpose of this final rulemaking is to delete Chapter 111 to eliminate redundant regulations. The Department adopted the regulations more than 20 years ago to implement the provisions of act. The act provides for the establishment of an Industry Placement Facility to assure fair access to insurance requirements (FAIR Plan) in order to make available basic property insurance for residential and commercial properties in this Commonwealth.

The provisions of these regulations are sufficiently addressed in the act, and the regulations in no manner enhance the authorizing statute. Therefore, they are found to be redundant, and it is no longer necessary to include these regulations.

Comments

Notice of proposed rulemaking was published in 27 Pa. B. 1565 (March 29, 1997) with a 30-day public comment period.

No comments were received from the legislative standing committees, the Independent Regulatory Review Commission (IRRC) or the public.

Affected Parties

The deletion of these regulations affect all property and casualty insurers licensed to do business in this Commonwealth.

Fiscal Impact

The deletion of these regulations has no fiscal impact because of the redundant nature of the regulations to the act. The regulatory provisions remain in effect under the statute.

Paperwork

There is no impact on paperwork as a result of the deletion of this chapter.

Contact Person

Questions regarding this final rulemaking may be directed to Carolyn Montgomery, Director, Bureau of Consumer Services, 1321 Strawberry Square, Harrisburg, PA 17120, (717) 783-2153.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), the Department submitted a copy of this proposed rulemaking on March 17, 1997, to IRRC, the Chairpersons of the House Insurance Committee and the Senate Banking and Insurance Committee. In addition to submitting the proposed rulemaking, the Department has provided IRRC and the Committees with a copy of a

detailed Regulatory Analysis Form prepared by the Department in compliance with Executive Order 1996-1. A copy of the material is available to the public upon request.

In preparing these final-form regulations, the Department has considered all comments received from IRRC, the Committees and the public. These final-form regulations were deemed approved by the House and Senate Committees on August 13, 1997. IRRC met on August 13, 1997, and approved the amendments in accordance with section 5(g) of the Regulatory Review Act.

Findings

The Insurance Commissioner finds that:

(1) Public notice of intention to adopt this rulemaking as amended by this order has been given under sections 201 and 202 of the act of July 31, 1968, (P. L. 769, No. 240) (45 P. S. §§ 1201 and 1202) and the regulations thereunder, 1 Pa. Code §§ 7.1 and 7.2.

(2) The adoption of this rulemaking in the manner provided in this order is necessary and appropriate for the administration and enforcement of the authorizing statutes.

Order

The Insurance Commissioner, acting under the authorizing statutes, orders that:

(a) The regulations of the Department, 31 Pa. Code Chapter 111, are amended by deleting §§ 111.1—111.4 to read as set forth at 27 Pa.B. 1565.

(b) The Commissioner shall submit this order and 27 Pa.B. 1565 to the Office of General Counsel and Office of Attorney General for approval as to form and legality as required by law.

(c) The Commissioner shall certify this order and 27 Pa.B. 1565 and deposit them with the Legislative Reference Bureau as required by law.

(d) The amendments adopted by this order shall take effect upon publication in the *Pennsylvania Bulletin*.

M. DIANE KOKEN,
Acting Insurance Commissioner

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 27 Pa.B. 4596 (September 6, 1997).)

Fiscal Note: Fiscal Note 11-140 remains valid for the final adoption of the subject regulations.

[Pa.B. Doc. No. 97-1585. Filed for public inspection October 3, 1997, 9:00 a.m.]

[31 PA. CODE CH. 113] Certificates of Insurance

The Insurance Department (Department) deletes Chapter 113, Subchapter C (relating to certificates of insurance) under the authority of sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 66, 186, 411 and 412); and The Insurance Company Law of 1921 (act) (40 P. S. §§ 361—991).

Purpose

The purpose of this final rulemaking is to delete §§ 113.31 and 113.32, to eliminate redundant regulations. The Department adopted the regulations over 20 years ago to caution and advise insurers and their representatives that many noninsurance entities require the submission of certificates of insurance by their insurance carrier, which may vary from the basic insurance policy. The regulations further simply reiterate that section 354 of the act (40 P. S. § 477b) prohibits the use of policy forms and documents that have not been approved by the Department, including certificates of insurance. As the provisions of these regulations are sufficiently addressed in the act, and the regulations in no manner enhance the authorizing statute, it is found to be redundant. Therefore, it is no longer necessary to continue these sections within the Department regulations.

Comments

Notice of this proposed rulemaking was published at 27 Pa.B. 1564 (March 29, 1997) with a 30-day public comment period.

No comments were received from the standing committees, the Independent Regulatory Review Commission (IRRC) or the public.

Affected Parties

The deletion of the regulations affects insurance companies licensed to do business in this Commonwealth.

Fiscal Impact

There is no fiscal impact as a result of the deletion of these sections because of the redundant nature of the regulations in relation to the statute. The regulatory provisions remain in effect under the statute.

Paperwork

There is no impact on paperwork as a result of the deletion of these regulations.

Contact Person

Questions or comments regarding this final rulemaking may be directed to Carolyn Montgomery, Director, Bureau of Consumer Services, 1321 Strawberry Square, Harrisburg, PA 17120, (717) 783-2153.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on March 17, 1997, the Department submitted a copy of the proposed rulemaking to IRRC, the Chairpersons of the House Insurance Committee and the Senate Banking and Insurance Committee. In addition to submitting the proposed rulemaking, the Department has provided IRRC and the Committees with a copy

of a detailed Regulatory Analysis Form prepared by the Department in compliance with Executive Order 1996-1. A copy of the material is available to the public upon request.

In preparing these final-form regulations, the Department has considered the comments received from IRRC, the Committees and the public. These final-form regulations were deemed approved by the House and Senate Committees on August 13, 1997. IRRC met on August 13, 1997, and approved the deletion in accordance with section 5(g) of the Regulatory Review Act (71 P. S. § 745.5(g)).

Findings

The Insurance Commissioner finds that:

(1) Public notice of intention to adopt this rulemaking as amended by this order has been given under sections 201 and 202 of the act of July 31, 1968 (P. L. 769, No. 240) (45 P. S. §§ 1201 and 1202) and the regulations thereunder, 1 Pa. Code §§ 7.1 and 7.2.

(2) The adoption of this rulemaking in the manner provided in this order is necessary and appropriate for the administration and enforcement of the authorizing statutes.

Order

The Insurance Commissioner, acting under the authorizing statutes, orders that:

(a) The regulations of the Department, 31 Pa. Code Chapter 113, are amended by deleting §§ 113.31 and 113.32 to read as set forth at 27 Pa.B. 1564.

(b) The Commissioner shall submit this order and 27 Pa.B. 1564 to the Office of General Counsel and Office of Attorney General for approval as to form and legality as required by law.

(c) The Commissioner shall certify this order and 27 Pa.B. 1564 and deposit them with the Legislative Reference Bureau as required by law.

(d) The amendments adopted by this order shall take effect upon final publication in the *Pennsylvania Bulletin*.

M. DIANE KOKEN,
Acting Insurance Commissioner

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 27 Pa.B. 4596 (September 6, 1997).)

Fiscal Note: Fiscal Note 11-142 remains valid for the final adoption of the subject regulations.

[Pa.B. Doc. No. 97-1586. Filed for public inspection October 3, 1997, 9:00 a.m.]