

# RULES AND REGULATIONS

## Title 31—INSURANCE

### INSURANCE DEPARTMENT

#### [31 PA. CODE CH. 121]

#### Fees for Out-Of-State Companies

The Insurance Department (Department), by this order, amends Chapter 121 (relating to fees for out-of-State companies) by deleting §§ 121.1—121.4.

#### *Purpose*

The purpose of the rescission of Chapter 121 is to eliminate redundant and outdated regulations. Adopted in 1969, the regulations were prescribed to notify insurers domiciled in the Commonwealth of Massachusetts or the State of California of their filing fee responsibilities when making form and rate filings with the Department.

The regulations provide that when an insurer domiciled in California makes a form or rate filing with the Department, the filing transmittal letter is required to state the fee that the state of California would charge for a similar filing. When the form or rate is approved, the California domiciled insurer is to be billed by the Department for the stated filing fee. With respect to an insurer domiciled in Massachusetts, when the insurer makes a form or rate filing with the Department, the insurer is instructed by the regulation to include with the filing fee that the Commonwealth of Massachusetts would charge for a similar filing.

In practice, insurers domiciled in California have been including filing fee checks with all form and rate filings made with the Department. Therefore, the Department no longer bills insurers as provided by Chapter 121.

In addition to the fact that the regulations are no longer consistent with current filing fee payment practices by California domiciled insurers, the regulation is unnecessary and duplicative for both California and Massachusetts domiciled insurers. Section 212 of The Insurance Department Act of 1921 (40 P. S. § 50) provides that if fees are imposed by a state on Commonwealth domiciled insurance companies doing business in that state, then like fees, including form and rate filing fees, shall be imposed on insurance companies domiciled in that state doing business in this Commonwealth. Therefore, because insurers domiciled in California or Massachusetts are required by section 212 to pay a form and rate filing fee to the Department as a retaliatory fee if the fees charged by those states for Commonwealth companies exceed the fees charged by the Commonwealth for companies from those other states, Chapter 121 is duplicative and unnecessary for the collection of form and rate filing fees.

#### *Statutory Authority*

This chapter is deleted 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 section 212 of The Insurance Department Act of 1921.

#### *Comments*

Notice of the proposed rulemaking was published at 28 Pa.B. 3805 (August 8, 1998) as a proposed rulemaking with a 30-day public comment period.

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

#### *Fiscal Impact*

##### *State Government*

This rescission will not have an impact on State government.

##### *General Public*

This rescission is not expected to have a fiscal impact upon the general public.

##### *Political Subdivisions*

This rescission has no impact on costs to political subdivisions.

##### *Private Sector*

This rescission has no impact on costs to the private sector.

#### *Paperwork*

This rescission imposes no additional paperwork requirements on the Department.

#### *Persons Regulated*

The rescission will apply to insurers domiciled in California or Massachusetts and making form and rate filings with the Department but will not substantially affect these insurers because they must continue to comply with section 212 of The Insurance Department Act of 1921.

#### *Contact Person*

Questions or comments regarding the deletion may be addressed to Peter J. Salvatore, Regulatory Coordinator, Office of Special Projects, 1326 Strawberry Square, Harrisburg, PA 17120, (717) 787-4429.

#### *Regulatory Review*

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on August 8, 1998, the Department submitted a copy of this rulemaking to IRRC and to the Chairpersons of the House Insurance Committee and the Senate Banking and Insurance Committee. In addition to the submitted 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, "Regulatory Review and Promulgation." In compliance with section 5(c) of the Regulatory Review Act, the Department also provided IRRC and the Committees with copies of the comments received. A copy of that material is available to the public upon request.

This rulemaking was deemed approved by the House Committee and by the Senate Committee on November 5, 1998, in accordance with section 5a(d) of the Regulatory Review Act (71 P. S. § 745.5a(d)). IRRC met on November 19, 1998, and deemed approved the rulemaking in accordance with section 5a(e) 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 Insurance Department, 31 Pa. Code Chapter 121, are amended by deleting §§ 121.1—121.4 to read as set forth at 28 Pa.B. 3805.

(b) The Commissioner shall submit this order and 28 Pa.B. 3805 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 28 Pa.B. 3805 and deposit them with the Legislative Reference Bureau as required by law.

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

M. DIANE KOKEN,  
*Insurance Commissioner*

*(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 28 Pa.B. 5920 (December 5, 1998).)*

**Fiscal Note:** Fiscal Note 11-172 remains valid for the final adoption of the subject regulations.

[Pa.B. Doc. No. 98-2062. Filed for public inspection December 18, 1998, 9:00 a.m.]