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MEMORANDUM

Date: January 26, 2011
To: All House Members
From: Representative Tony DeLuca
Subject: Co-Sponsorship of Legislation: *Holding Company Law Amendments*

I hope you will co-sponsor important legislation that I have drafted. In December of 2010, the National Association of Insurance Commissioners (NAIC) adopted substantial changes to the association's model Holding Company Law, and I will be introducing that legislation here in the Commonwealth in the near future.

Pennsylvania's current Holding Company Law is based upon the NAIC model law and is a technical law that helps ensure the financial integrity of insurance companies doing business in this state. It requires the filing of certain materials and documents when a company is being acquired by another company and empowers the Insurance Department to regulate the management of insurance companies within a holding company system. This level of regulation is appropriate and acts to protect consumers by ensuring that the insurance contract's promise to pay a claim is fulfilled.

The changes adopted by the NAIC reflect changes in the financial structure of our country, and will likely be adopted in all states. These changes will continue the state regulatory mechanisms necessary to continue and enhance the financial solvency of insurers and ultimately consumer protection.

If you would like to join me in co-sponsoring this important legislation, please contact Linda Dolfi at ldolfi@pahouse.net or via phone 717-783-1011.

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