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

June 24, 2004

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

Re: Regulation #11-215 (IRRC #2364)
Insurance Department
Standards for Safeguarding Customer Information

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,



John R. McGinley, Jr.
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 June 24, 2004

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

Regulation No.11-215
Insurance Department
Standards for Safeguarding Customer
Information

On September 23, 2003, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Insurance Department (Department). This rulemaking amends 31 Pa. Code by adding Chapter 146c. The proposed regulation was published in the October 4, 2003 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on May 21, 2004.

This regulation sets up specific internal standards that companies must implement to safeguard against leaks of nonpublic personal health or financial information. The Department will use these standards when it investigates an insurer's internal procedures for safeguarding of consumer and customer information.

We have determined this regulation is consistent with the statutory authority of the Insurance Department (40 P.S. § 1171.2 and 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.



A handwritten signature in black ink, appearing to read "J. McGinley, Jr.", written over a horizontal line.

John R. McGinley, Jr., Esq., Chairman