News for Immediate Release

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New Law Highlights Pennsylvania's Leadership in Global Insurance Regulation

Harrisburg – New legislation affecting the insurance industry now enables the Pennsylvania Insurance Department to modernize its regulatory abilities.

Act 136 of 2012, signed into law last week by Governor Tom Corbett, will help the commonwealth in what is increasingly becoming a complex, global insurance market.

"With international leaders calling for greater regulatory rapport among the world's financial service regulators, these measures add to our pivotal role in being a world-class insurance regulator," said Insurance Commissioner Michael Consedine. "Our state's insurance market place is very diverse and this new law allows us to act as the group supervisor for any international insurance group that is Pennsylvania-based or has substantial connections here."

Additionally, the new law:

- Enables the department to better assess the "enterprise risk" within the entire holding company system. This allows regulators to weigh that financial impact upon all the insurers within that group's structure.
- Allows the department to better evaluate a reinsurer's financial strength. The certified reinsurer is then eligible for reduced collateral requirements based on its financial strength. This will lower the cost of reinsurance to ceding insurance companies in Pennsylvania and allow those companies to write more business here.

"Insurance regulation is always evolving, and these particular tools make Pennsylvania better able to understand the risks of insurance conglomerates and level the playing field for reinsurers," Consedine added.

Visit the Pennsylvania Insurance Department online at www.insurance.pa.gov.

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