



Rod Pierson
Senior Vice President
Chief Financial Officer & Treasurer

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**INSURANCE COMMISSIONER
COMPANY SUPERVISION**

April 7, 2011

Mr. James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
Office of Insurance Commissioner
State of Washington
PO Box 40255
Tumwater, WA 98501

RE: Adoption of NAIC Model 820

Dear Mr. Odiorne:

Thank you for your recent letter requesting input relating to Washington adopting Model 820-Standard Valuation Law involving principles based reserving.

This law would be applicable to our Provider Excess, HMO Reinsurance and Medical Stop Loss business. We have reviewed and also discussed Model 820 with our quota share reinsurer for these lines who indicated they are currently using principles based reserving for these type lines. Based on our review and our discussion with our reinsurer, we have concluded we have no objection to Model 820 or any significant suggestions regarding its adoption in Washington.

We appreciate your invitation for review and comment.

Sincerely,



Rod Pierson
Senior Vice President and Chief Financial Officer