



DC APPLESEED
Solving DC Problems

1111 Fourteenth Street, NW
Suite 510
Washington, DC 20005

Phone 202.289.8007
Fax 202.289.8009
www.dcappleseed.org

WALTER SMITH
Executive Director

November 19, 2009

BOARD OF DIRECTORS

CHAIR: GARY M. EPSTEIN
Latham & Watkins LLP
(retired partner)

VICE-CHAIR: PATRICIA A. BRANNAN
Hogan & Hartson LLP

VICE-CHAIR: DEBORAH M. ROYSTER
Pepco Holdings, Inc.

SECRETARY: JON BOUKER
Arent Fox LLP

TREASURER: JAMES H. HAMMOND
Deloitte & Touche LLP

PAST-CHAIR: RICHARD HERZOG
Harkins Cunningham LLP

PAST-CHAIR: NICHOLAS W. FELS
Covington & Burling LLP

KATHERINE S. BRODERICK
University of the District of Columbia - David A. Clarke School of Law

PATRICK S. CAMPBELL
Paul, Weiss, Rifkind, Wharton & Garrison LLP

DEBORAH J. CHOLLET
Mathematica Policy Research, Inc.

SHELDON S. COHEN
Farr, Miller & Washington LLC

ANNEMARGARET CONNOLLY
Weil, Gotshal & Manges LLP

MARC EFRON
Crowell & Moring LLP

CURTIS ETHERLY
Coca-Cola Enterprises Bottling Companies

FRED GOLDBERG
Skadden

JANIE JEFFERS
Jeffers & Associates LLC

BOB LEVEY
Journalist

LORIE MASTERS
Jenner & Block LLP

JACQUE D. PATTERSON
Federal City Council

JAMES P. RATHVON
DLA Piper US LLP

GARY RATNER
Citizens for Effective Schools, Inc.

AMY P. RIFKIND
Arnold & Porter LLP

LOIS J. SCHIFFER
Attorney

MARGARET SINGLETON
DC Chamber of Commerce

STANLEY M. SPRACKER
Levine School of Music

TED TRABUE
District Economic Employment

RODERIC L. WOODSON
Holland & Knight LLP

MATTHEW YEO
Stephens & Johnson LLP

The Hon. Gennet Purcell, Commissioner
Department of Insurance, Securities and Banking
810 First Street NE, Suite 701
Washington, DC 20002

Re: Surplus Review of Group Hospitalization and Medical Services, Inc.
09-MIE-001

Dear Commissioner Purcell:

The District of Columbia Appleseed Center for Law and Justice, Inc. ("DC Appleseed") presented the enclosed testimony at a hearing conducted by the Maryland Insurance Administration ("MIA") on November 19, 2009. The hearing addressed the surplus levels held by Group Hospitalization and Medical Services Inc. (GHMSI) and CareFirst of Maryland.

DC Appleseed identified numerous deficiencies in the report prepared by Invotex which proposes "optimal surplus levels" for GHMSI. In addition, our pro bono attorneys at Covington and Burling, LLP have prepared a memorandum which establishes that District of Columbia law must govern the Maryland surplus review for GHMSI.

We realize that the official record for the DISB's proceedings formally closed on November 2. However, we believe that the enclosed analyses could prove useful to the DISB's own review of GHMSI's surplus. Therefore, we ask that you consider the enclosed documents and waive the November 2 filing deadline in order to include the attached testimony and memorandum in the public record.

Thank you.

Yours truly,


Walter Smith
Executive Director

Cc Mrs. Leslie Johnson, Hearing Officer
Phillip Barlow, Associate Commissioner
Mr. Stephen Taylor, General Counsel
Carmenita Snowden, Executive Assistant

Affiliations listed only for purposes of identification

