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November 19, 2009

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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

