

**BEFORE THE GOVERNMENT OF THE DISTRICT OF COLUMBIA DEPARTMENT
OF INSURANCE, SECURITIES AND BANKING**

_____))
IN THE MATTER OF))
))
Surplus Review and Determination))
For Group Hospitalization and Medical))
Services, Inc.))
_____)

The Virginia State Corporation Commission's ("Commission") Bureau of Insurance ("Bureau") appreciates the opportunity to comment on the Proposed Consent Order ("Proposed Order") submitted by Group Hospitalization and Medical Services, Inc. ("GHMSI") and the District of Columbia Department of Insurance, Securities and Banking ("DISB") in this matter.

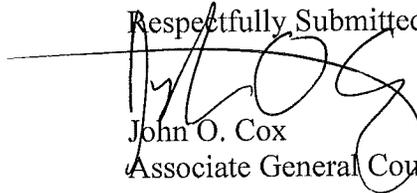
GHMSI operates in Virginia in the cities of Alexandria and Fairfax, the town of Vienna, Arlington County, and the areas of Fairfax and Prince William Counties in Virginia lying east of Route 123. As a consequence GHMSI is subject to regulation by the Bureau.

In considering the Proposed Order the Bureau is guided by § 38.2-4229.2 of the Code of Virginia ("Code"). This law requires the Commission to conduct a proceeding to review the impact of any regulatory action that requires a health services plan operating in Virginia to distribute or reduce its surplus on the grounds that it is excessive. It also provides the Commission with authority to, among other things, prohibit a health services plan such as GHMSI from distributing or reducing surplus for the benefit of residents of another state if it finds that the other state's action is harmful to the interests of Virginia residents. Any intended distribution by GHMSI pursuant to Order by DISB for community health reinvestment in DC triggers a review by the Commission pursuant to § 38.2-4229.2 of the Code. The Commission's Final Order in Case No INS-2015-00007, entered October 7, 2016, orders GHMSI not to distribute its surplus in any amount without express prior approval of the Commission.

The distribution by GHMSI contemplated by the Proposed Order is prohibited without the Commission's prior approval by both § 38.2-4229.2 of the Code and the Final Order. Consequently, GHMSI should not act to distribute its surplus pursuant to the Proposed Order unless and until it has received the Commission's approval to make such distribution.

Again, thank you for the opportunity to comment.

Respectfully Submitted,


John O. Cox
Associate General Counsel

JOC:jpr