TITLE 760 DEPARTMENT OF INSURANCE

Administrative Rules Oversight Committee Notice 60 Day Requirement (<u>IC 4-22-2-19</u>)

LSA Document #05-196

June 14, 2006

Representative Michael Murphy Chairperson, Administrative Oversight Committee c/o Sarah Burkman Legislative Services Agency

RE: Rule pursuant to <u>IC 27-16-4-7</u>
Professional Employer Organizations

Dear Representative Murphy:

Pursuant to IC 27-16-4 and IC 27-16-5 the Commissioner may adopt rules governing regarding the registration of Professional Employer Organizations (PEOs). The Commissioner shall issue interim written guidelines that expire the earlier of December 31, 2006, or the effective date of an administrative regulation. The Department first initiated the rulemaking process by publication of a notice of intent on August 1, 2005 (LSA Doc #05-196). We began discussions with the PEO industry. Unfortunately we were not prepared to move forward with a proposed rule during 2005. In 2006 we have concluded some issues and are ready to move forward. A new rulemaking process was instituted.

Therefore, in accordance with <u>IC 4-22-2-19</u>, this letter is to notify you that the Department did not institute the current rulemaking process within 60 days of the effective date of <u>IC 27-16-4</u> and <u>IC 27-16-5</u>. The Department is now prepared to propose an administrative rule. The notice of intent was published in the April 1, 2006, issue of the Indiana Register. A proposed rule should be published no later than September 1, 2006. It is the Department's intention to have the administrative rule in place by December 31, 2006, when the interim written guidelines expire.

If you have any questions or need any additional information I can be reached at 232-0143.

Very truly yours,

Amy E. Strati Chief Counsel

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