



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Gregory V. Serio
Superintendent

**Circular Letter No. 15 (2003)
September 22, 2003**

TO: All Insurers Licensed to Write Property/Casualty Insurance; Joint Underwriting Associations; Rate Service Organizations; and the New York Automobile Insurance Plan

RE: Implementation of Electronic Rates and Forms Filings Using The System for Electronic Rate and Form Filings (SERFF)

STATUTORY REFERENCE: Insurance Law Section 201 and Article 23

On May 6, 2003 the Department announced its interest in moving the property/casualty insurance industry towards full electronic filing through SERFF by the fall, 2003. Given the difficulties in coalescing industry interest in electronic filing, the Department is now prepared to designate January 1, 2004 as the target for companies to submit filings electronically. Filings made on or after that date should be made using SERFF. This schedule, while aggressive, was designed to focus the industry's attention on a matter of critical importance to the modernization of regulation and encourage industry migration towards electronic filing.

Why the Time Is Now

SERFF allows insurers to obtain state approval by submitting policy forms and rate filings electronically. The evaluation, review and approval process is also completed in this electronic environment. An important component of SERFF is the submissions requirements database, which helps eliminate incomplete filings and improves the quality of the submissions by detailing what insurers must file. These capabilities provide for a more efficient transaction between insurers and the Department and significantly reduce review and process filing time.

Since becoming a web-based application, many enhancements have been made through the work of NAIC staff and the various NAIC Working Groups focused on Speed to Market. System navigation is easier and quicker. File tracking and management is vastly improved. Electronic Fund Transfer is now possible. Speed To Market best practices have been implemented in New York and are imbedded in SERFF. Other states are doing the same. Other enhancements are scheduled to be available by year-end.

The average review time for a SERFF filing is 16 days and many states review filings on a same day basis. Over 94% of all filings are approved without the need for additional correspondence between the company and insurance departments.

We recognize that to meet this objective the insurance community must be adequately prepared to make rate and form filings in an electronic environment. There are steps to take that will prepare insurers to make this transition. These are outlined below.

SERFF Licensing and Remote Hosting

First, to make filings through SERFF an insurer, that has not already done so, should obtain and execute a SERFF

licensing agreement from the NAIC. Licensing fees have been eliminated and this is a simple process. Next, contact a remote hosting vendor. The remote host provides the infrastructure and services to keep each insurer's data in a secure environment. The remote host will also provide maintenance, back up, and other technology services that will allow insurers to remain focused on business. While there is an annual cost/user fee for this service, it is nominal and is less than the costs otherwise associated with such functions and services. Information on licensing, remote hosts and cost analyses may be found at www.serff.org.

SERFF Training

Next, you should learn how to use SERFF. The Department is committed to the success of this initiative and is prepared to assist all filers with training and information needed to become conversant with the SERFF filing process and achieving the maximum benefits of its streamlined efficiencies, compliance features and cost savings. Accordingly, the Department will be holding half-day educational forums that will follow the two-day industry user training sessions noted below.

SERFF Industry User Training (2-day sessions paid by SERFF users)

New Horizons, 55 Broad Street, NY NY 10004:

October 28 – 29;
November 17 –18.

The purpose of these sessions is to introduce users to SERFF, demonstrate its use, and prepare users to develop and make filings in SERFF, to use the SERFF system for file tracking, file management, and communication to achieve the efficiencies of time and cost reductions.

New York SERFF Filings Training(Free)

NYS Insurance Department, 25 Beaver Street, Hearing Room, 5th floor, NY NY 10004:

October 30;
November 19.

These sessions will focus specifically on how to make SERFF filings in New York; how to find our Submission Requirements, complete them and save them for future use; and highlight efficiencies. Each session will include a half-day presentation by Department staff to provide technical knowledge and information providing New York-specific SERFF filing instructions and Q&A.

To arrange to attend these sessions, please contact:

Lucy Cilione
Supervising Insurance Examiner
212-480-5501 or lcilione@ins.state.ny.us

Or visit www.serff.org and make your plans.

Test Filings

You will want to practice in order to become comfortable with the application and the process. Test filings may be arranged through the NAIC and the Department as often as needed.

Production Filings

The final step is to start making filings with the Department and other states.

Continuing SERFF Training

The Department is committed to the achieving this objective. Additional training dates will be scheduled by the Department to provide valuable information to insurers on how to use and make SERFF work for you as move

forward in an electronic environment.

Contact Us

The building of SERFF has been a successful partnership between all involved in the business of insurance. Please provide us with your acknowledgement, comments and input as we take these next important steps. Contact:

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Very truly yours,

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Deputy Superintendent