

May 16, 1983

SUBJECT: INSURANCE

WITHDRAWN

CIRCULAR LETTER NO. 8 (1983)

DATED: May 16, 1983

TO: ALL INSURERS LICENSED TO WRITE PRIVATE PASSENGER AUTOMOBILE, FIRE, OR FIRE AND EXTENDED COVERAGE INSURANCE POLICIES WHICH ARE SUBJECT TO THE REPORTING REQUIREMENTS OF INSURANCE DEPARTMENT REGULATION NO. 90 (11NYCRR218) "PROHIBITION OF GEOGRAPHICAL REDLINING."

RE: REPORTS AND DATA SPECIFICATIONS

As one part of the Insurance Department's on-going program to improve the quality of insurer-submitted data required by Regulation No. 90, this Circular Letter contains general guidelines to be used in the maintenance and preparation of this data, and also addresses several problem areas uncovered during the processing and analysis of such data.

I. The following guidelines apply to Regulation No. 90 data, both as reported to the Department, and as maintained by the insurer:

A. General information for Private Passenger Automobile, Personal Lines - Fire, and Commercial Fire

1. Figures should include only direct business, not reinsurance.
2. Figures reported to the Department for Cancellations by Action of the Insurer should not include Cancellations for Non-Payment of Premium nor Cancellations Within 60 Days of Issue.

(NOTE - The figures for Cancellations for Non-Payment of Premium and Cancellations Within 60 Days of Issue are required to be maintained and included in the category Cancellations by Insurers, used in reconciling from the opening in-force to closing in-force figures. See items II and III C following.)

B. Private Passenger Automobile

1. Assigned Risk business and motorcycle policies should be excluded.

C. Personal Lines - Fire

1. Figures should reflect only Fire or Fire and Extended Coverage.

2. Homeowners' policies should be excluded.

D. Commercial Fire

1. Figures should include only Fire or Fire and Extended Coverage.

2. Fire portions of SMP or other package policies should be excluded.

II. When reconciling from the opening in-force to the closing in-force, the following formula should be used: (Refer also to Item III.)

OPENING IN-FORCE + NEW BUSINESS - CANCELLATIONS BY INSURER - CANCELLATIONS BY INSUREDS - NON-RENEWALS BY INSURER - NON-RENEWALS BY INSUREDS = CLOSING IN-FORCE

III. The following definitions and conventions apply to Regulation 90 data.

A. OPENING IN-FORCE: Number of policies or cars in effect as of January 1 of a given year.

B. NEW BUSINESS: Number of newly covered policies or cars issued in a given year.

C. CANCELLATIONS BY INSURERS: Number of policies or cars cancelled by action of the insurer. Cancellations Within 60 Days of Issue and Cancellations for Non-Payment of Premium should be included in this category for reconciliation purposes only.

D. CANCELLATIONS BY INSUREDS: Number of policies or cars cancelled by action of the insureds.

E. NON-RENEWALS BY INSURERS: Number of policies or cars non-renewed by action of the insurer.

F. NON-RENEWALS BY INSUREDS: Number of policies or cars non-renewed by action of the insureds.

G. CLOSING IN-FORCE: Number of policies or cars in effect as of December 31 of a given year.

H. RENEWALS: Number of policies or cars renewed, on an annualized basis, during a given year. For policies with a term of other than one year, "Renewed" means the Annual Anniversary Date. A six-month policy should be counted only once each year as a renewal. A three-year policy should be shown as one renewal each year.

(NOTE - This figure is not required in the reconciliation, but it is one of the figures that must be reported to the Department.)

IV. Insurer coding of ZIP codes and county codes has been a major problem area. The correct ZIP code and county code must appear on all records. For Automobile policies, use the ZIP of the place of garaging. For Fire policies, use the ZIP in which the insured property is located. For policies with multiple locations, use the ZIP of the principal location.

V. Commencing with data filed for calendar year 1983, all such data must be accompanied by a Statement of Confirmation attesting to the fact that the data being submitted is an accurate, properly-prepared reflection of the

insurer's direct writings in New York State for the applicable lines of business.

The Statement of Confirmation must be signed by an officer of the company.

VI. All magnetic tapes submitted must be 1600 bpi density. Tapes recorded at any other density will be returned to the insurer as unacceptable, for resubmission at the proper density.

VII. All data submitted must be accompanied by an 80-80 listing of the data.

VIII. Insurers wishing to have their magnetic tapes returned to them are reminded that a pre-paid, self-addressed tape mailer should be enclosed along with their tape submission.

IX. Questions pertaining to the contents of the submission should be directed to Lisa Smooke, Insurance Examiner, Property & Casualty Insurance Bureau, at (212) 488-2233.

X. Questions of a data processing nature should be brought to the attention of David Schorr, Senior Programmer/Analyst, Regulatory Information Systems, at (212) 488-2250.

Acknowledgement of this Circular Letter, and all required data should be addressed to:

Mr. Robert D. Stern
Director of Data Processing
Regulatory Information Systems
New York State Insurance Department
Two World Trade Center
New York, NY 10047-0002

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance