

January 16, 1987

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 1 (1987)

To: All Insurers Authorized to Transact Casualty Insurance Business in this State.

Subject: Medical Malpractice Premium Surcharge

Section 40 of Chapter 266 of the Laws of 1986 authorizes the Superintendent of Insurance to establish rates for policies providing coverage for physicians and surgeons medical malpractice for policy periods commencing July 1, 1985 and ending June 30, 1988. This Section also authorizes the Superintendent to impose a surcharge on medical malpractice premiums for policy periods commencing July 1, 1989 to satisfy any deficiency that is attributable to the premium levels established pursuant to this Section.

Pursuant to the provisions of Section 1301(a)(21) of the New York Insurance Law, I have determined that insurers writing medical malpractice insurance in this state may establish as an admitted asset, in statements filed with this Department, the future medical malpractice premium surcharges in accordance with the aforementioned Section 40.

Such asset shall be calculated as the present value of the amount required to satisfy the deficiency, if any, that is attributable to the premium level established in accordance with the aforementioned Section 40.

Kindly direct any questions on this matter to:

Mr. Vincent Laurenzano

Assistant Chief

N.Y.S. Insurance Department

Property Companies Bureau

160 West Broadway

New York, N.Y. 10013

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance