

May 28, 1987

SUBJECT: INSURANCE

Circular Letter No. 8 (1987)

May 28, 1987

TO: ALL INSURERS AUTHORIZED TO TRANSACT PROPERTY/CASUALTY INSURANCE BUSINESS IN THIS STATE AND RATE SERVICE ORGANIZATIONS.

RE: FORM AND RATE FILING AND APPROVAL REQUIREMENTS FOR AUTHORIZED INSURERS WRITING GROUP LIABILITY INSURANCE FOR PURCHASING GROUPS PURSUANT TO THE FEDERAL LIABILITY RISK RETENTION ACT OF 1986 [PUBLIC LAW 99-563].

The purpose of this circular letter is to clarify form and rate filing requirements that must be met before property/casualty insurers engage in the writing of group liability insurance for federal purchasing groups. The federal Liability Risk Retention Act of 1986 permits an insurer to write a group liability insurance policy for a purchasing group, as those terms are defined in the Act, notwithstanding any state law which would otherwise prohibit or limit a property/casualty insurer from writing group liability insurance.

This is to advise insurers that the federal Liability Risk Retention Act of 1986, in connection with purchasing groups, does not relieve an authorized insurer of the form and rate filing requirements of the New York State Insurance Law.

Therefore, any authorized insurer that has written, or is contemplating writing, such policies, but has not already complied with applicable requirements of Article 23 and other relevant laws and regulations regarding form and rate filings, should immediately cease issuing such policies, certificates, or other evidence of insurance thereunder, file the required forms and rates with the Insurance Department by June 30, 1987, and should:

(a) obtain prior approval from the Department of forms and rates, where approval of such forms and/or rates is required by the Insurance Law, before such insurer begins or resumes issuing such policies, certificates, or other evidence of insurance; or

(b) for physicians and surgeons liability insurance, await the establishment of physicians and surgeons rates, where such rates are required to be established by the Department pursuant to Chapter 266 of the Laws of 1986, before such insurer begins or resumes issuing such policies, certificates, or other evidence of insurance.

Appropriate form and rate filings are to be submitted to the Property and Casualty Insurance Bureau, 160 West Broadway, New York, New York 10013. Kindly acknowledge receipt of this circular letter promptly, in writing, to Barry Huberman, Associate Insurance Examiner, Property and Casualty Insurance Bureau, 20th Floor, at the above address. If you have any questions, you may contact Mr. Huberman at 212-602-0385.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

SUPERINTENDENT OF INSURANCE