

April 28, 1989

SUBJECT: INSURANCE

WITHDRAWN

Supplement No. 2 to Circular Letter No. 9 (1988)

TO: ALL PROPERTY/CASUALTY INSURANCE COMPANIES; CO-OPERATIVE FIRE INSURANCE COMPANIES; LLOYDS UNDERWRITERS AND RECIPROCAL INSURERS; FINANCIAL GUARANTY INSURANCE CORPORATIONS; AND THE MEDICAL MALPRACTICE INSURANCE ASSOCIATION

RE: PROPERTY/CASUALTY INSURANCE SECURITY FUND

Please be advised that determinations made in accordance with the requirements of Sections 7603 and 7606 of the New York Insurance Law, indicate that the net value of the Property/Casualty Insurance Security Fund as of December 31, 1988 continues to be less than \$ 150 million. Accordingly, contributions to the Fund will continue. The attached newly revised report form replaces the form dated 6/3/88. Insurers should continue to compute and submit contributions on a quarterly basis by multiplying the factor listed by the 1989 quarterly net direct written premium to which it applies. Pursuant to Section 7603 (c)(2), it should be noted that the 1989 factors are different from those used for 1988.

The first 1989 quarterly contribution is due on or before May 15, 1989, for the quarter ending March 31, 1989. Those insurers which have already filed such 1989 first quarterly reports and made payment using 1988 factors should file an amended first quarterly report using the revised 1989 form. In order to apply these payments to the amount due, the payments should be shown in the "Less Credit Due" line on the revised form.

Pursuant to regulations of the Federal Crop Insurance Corporation (7 CFR Part 400, Subpart L), Multiple Peril Crop Insurance premiums on policies reinsured by the Federal Crop Insurance Corporation under its Standard Reinsurance Agreement are not subject to contribution. If your 1988 contributions to the Fund reflect the inclusion of such premiums, you may take an appropriate credit against the total payment due for the next quarter. The credit calculation should be indicated on an attachment to the report form and entered as an amount in "Less Credit Due".

In view of the issue date of this Circular Letter, the late payment penalty provisions of Section 7614 will not be imposed on an insurer unable to meet the May 15, 1989 due date if payment is received on or before June 1, 1989.

Further supplements to the Circular Letter will be issued as the need arises.

Please acknowledge receipt of this supplement, and refer any questions relating, to its contents to:

Mr. Frank M. D'Amico

Director of Taxes and Accounts

New York State Insurance Department

Gov. Nelson A. Rockefeller Empire State Plaza

Agency Building One

Albany, New York 12257

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN.

Superintendent of insurance