

October 21, 1991

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 17 (1991)

TO: All Authorized Property/Casualty Insurers

RE: Producer Controlled Insurers And Controlling Producers

New rules concerning broker/agent relationships with controlled insurers have been promulgated in Part 80-2 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation No. 52-A), to take effect on January 1, 1992. However, in order to facilitate the timely implementation of the provisions of Regulation No. 52-A, Section 80-2.5 provides for the submission of a written contract by a domestic controlled insurer by December 1, 1991, if entered into prior to that date. For all other controlled insurers, the Regulation provides that such a contract shall be submitted by December 15, 1991, if entered into prior to the January 1, 1992 effective date of the Regulation.

Generally, the provisions of Regulation 52-A shall apply if, in any calendar year, the aggregate amount of gross written premium on insurance business placed with a controlled insurer by a controlling producer is equal to or greater than five percent of the admitted assets of the controlled insurer, as reported in the controlled insurer's quarterly statement filed as of September 30th of the prior year. The definitions of a controlling producer and a controlled insurer are set forth in the Regulation, including those conditions under which the Regulation is applicable. Each addressee should determine its status based upon the foregoing and on information currently available. If applicable, the aforementioned written contract should be submitted in accordance with the requirements of Regulation No. 52-A to the following named person:

Mr. Chacko Thomas

Principal Clerk

Property Companies Bureau

New York Insurance Department

160 West Broadway

New York, NY 10013

The loss reserve opinion and other information set forth in Section 80-2.2(c) of Regulation No. 52-A applies to the calendar year 1992 and, accordingly, should be filed by April 1, 1993.

Kindly acknowledge receipt of this letter and advise whether Regulation No. 52-A will be applicable.

Very truly yours, [SIGNATURE]

Salvatore R. Curiale

Superintendent of Insurance