

December 31, 1992

SUBJECT: INSURANCE

WITHDRAWN

SUPPLEMENT NO. 4 to CIRCULAR LETTER NO. 3 (1986)

To: Manager, Commercial Lines Underwriting

Of: All Licensed Property/Casualty Insurance Companies And Accredited Reinsurers

Also: Insurance Producer Organizations

Re: 1993 INSURANCE AVAILABILITY SURVEY

The Second Supplement to Department Circular Letter No. 3 (1986), (dated August 15, 1989, advised that pursuant to Section 308 of the Insurance Law, the Department had established an availability survey as a mechanism for the annual appraisal of insurance market conditions and trends. Accordingly, this Department mailed updated survey forms to insurers and producer organizations annually.

The purpose of this Supplement is to advise that the Department has revised the method of data capture for the survey results, including the introduction of Optical Character Recognition (OCR) technology and creating a mainframe database to capture and utilize data. This will enhance analysis of market conditions and developing trends as well as enable the Department (and the industry) to better serve insurance consumers in New York.

To achieve this goal, several changes to the survey format were necessary to enable OCR to properly record responses. These included a coding of each type of risk in the survey. The Department has utilized a list of codes based upon the Standard Industrial Classification Codes (SIC) (published by the Executive Office of the President, Office of Management and Budget) which are commonly used by insurers in the entering and analyzing of statistical data. Data entry will also necessitate that survey responses be typed and comply with certain requirements. The expected enhancement of market trend and condition analysis has enabled the Department to eliminate its request for policy count information from the survey.

Revised survey forms representing the 1993 survey as well as instructions and sample forms are included herewith. Survey responses should be accurately completed in accordance with the instructions and returned no later than March 1, 1993 to the attention of:

Bruce L. Ascher -- (212-602-0369)

Associate Insurance Examiner

Property & Casualty Insurance Bureau

New York State Insurance Department

160 West Broadway -- 13th Floor

New York, New York 10013

Industry cooperation has been the key to the Department's efforts to cultivate and maintain stability in the commercial insurance marketplace. In the past, responses have proven to be of great value in helping insureds find coverage appropriate to their needs. Survey information has also been a helpful tool in the Department's analysis of conditions of an ever changing insurance marketplace. When survey results have evidenced constricted conditions for types of coverage and/or types of risks, the Department has been able to help develop availability by working with insurers and producer organizations.

Producer organizations are asked to advise members of the survey and inform the Department of admitted markets.

The continued cooperation of the industry in furnishing timely and accurate responses is essential to the success of this endeavor and is appreciated by the Department and the people of New York.

Very truly yours,

SALVATORE R. CURIALE

SUPERINTENDENT OF INSURANCE