



STATE OF NEW YORK
INSURANCE DEPARTMENT
160 WEST BROADWAY
NEW YORK, NEW YORK 10013

Circular Letter No. 10 (1996)
July 16, 1996

TO: All Licensed Property Casualty Insurers
RE: Homeowners Insurance: Reporting and Other Requirements Pursuant to
(11NYCRR 19) Regulation 154

This Circular Letter sets forth the standards to be followed in completing reports filed with this Department in accordance with Section 19.4 of Department Regulation 154, entitled "Homeowners Insurance: Applications for Withdrawal from Marketplace." The Regulation requires insurers to report information relative to homeowners insurance policies, on a quarterly basis, in a format prescribed by the Superintendent. It also defines those areas in which the Superintendent has deemed that writings by the New York Property Insurance Underwriting Association (NYPIUA) have increased significantly since January 1, 1992.

Background

Senate Bill 6846, enacted by Chapter 42 of the Laws of 1996, amended Section 3425(o) of the Insurance Law to require that the Superintendent promulgate rules and regulations to define "material reduction" in the volume of homeowners policies written as well as to define the concept, "minimizes market disruption," with respect to those cases in which insurers have reduced such writings. The Insurance Law also requires the Superintendent to conduct a study of "market dynamics" with respect to the maintenance of the level of homeowners policies written in this State with particular regard to certain defined areas. The report must be furnished to the Governor and the Legislature on or before February 15, 1997.

In addition, the Insurance Law requires that the Superintendent determine those areas in which NYPIUA writings have increased significantly since January 1, 1992 for the purpose of considering applications for withdrawal from the marketplace.

Areas in Which NYPIUA Writings are Deemed to Have Increased Significantly

Section 19.2(b)(1)(i)(c) and (ii)(c) of Regulation 154 requires that the Superintendent define areas where policies issued by the New York Property Insurance Underwriting Association (NYPIUA) have increased since January 1, 1992 by an amount deemed significant.

Based upon information received from NYPIUA, as of December 31, 1995, the following rating territories are deemed to have increased by a significant amount since January 1, 1992:

Territory	Number	Description
3		Staten Island
4		Queens
34		Niagara Falls
36		Rochester
39		Syracuse
40		Madison, Onondaga, Oswego
41		Utica
42		Herkimer, Oneida
46		Suffolk
49		Westchester
50		Nassau

Study of Market Dynamics

In order to obtain information necessary to complete the study required pursuant to Section 3425(o) of the Insurance Law, initial reports must be submitted as follows:

Reporting Period	Due Date
July 1, 1996-September 30, 1996	October 30, 1996
October 1, 1996-November 30, 1996 ^{see note}	December 31, 1996 ^{see note}
October 1, 1996-December 31, 1996	January 30, 1997

All subsequent reports will be on a calendar quarter basis due 30 days after the end of the quarter. Note: A "two-month" report is being required in order for the Department to obtain at least 5 months of data in time for use in preparing the report to the Governor and Legislature due on or before February 15, 1997

Reporting Requirements

Section 19.4(b) requires that the Superintendent prescribe a format for the submission of quarterly reports, the first of which is due within 30 days from September 30, 1996.

In order to minimize difficulties and discrepancies in the submission or interpretation of the required quarterly reports (and the special "two-month" report), the Department has developed various standard PC based specifications to facilitate data capture using either Lotus 1-2-3 or Microsoft Excel. Only submissions of diskettes will be required. No hardcopy submissions will be necessary.

All insurers who reported written premiums in New York State in column 2, line 4, Homeowners multiple peril (which should also include Cooperative apartment and Condominium unit owners insurance), of page 15, in their 1995 Annual Statement or who expect to report such premiums for 1996, should complete and return the attached order form no later than July 31, 1996 to obtain a reporting package containing the necessary diskettes and instructions.

In addition, this Circular Letter should be acknowledged by all recipients, in writing, no later than July 31, 1996 to Mr. John A. Owens, Senior Insurance Examiner, Property/Casualty Insurance Bureau, 160 West Broadway, New York, NY 10013. Please direct any questions concerning this Circular Letter to Mr. Owens (Fax 212-602-8825, Voice 212-602-8817).

REGULATION 154, 11 NYCRR 19
REPORT PACKAGE ORDER FORM

MAIL COMPLETED FORM TO ARRIVE NO LATER THAN JULY 31, 1996, TO:

New York State Insurance Department
Market Analysis Regulatory Services Unit
Property/Casualty Insurance Bureau
160 W. Broadway
New York, NY 10013

NOTE: Consolidated group submissions are not permitted. A separate diskette must be submitted for each individual insurer.

Company Name: _____

Contact Name: _____

Company Address: _____

Company City: _____

Company State: _____

Company ZIP Code: _____

Contact Telephone: _____

Contact Fax Number: _____

Please check one of the following diskette formats:

- | | |
|---|---|
| <input type="checkbox"/> Lotus 1-2-3 WK1 file extension | <input type="checkbox"/> Lotus 1-2-3 WK3 file extension |
| <input type="checkbox"/> Lotus 1-2-3 WK4 file extension | <input type="checkbox"/> Microsoft Excel XLS file extension |

Please check one of the following operating systems:

- Windows DOS