



STATE OF NEW YORK
INSURANCE DEPARTMENT
AGENCY BUILDING ONE
EMPIRE STATE PLAZA
ALBANY, NY 12257

June 5, 1998

Supplement No. 11 to
Circular Letter No. 9 (1988)

TO: ALL PROPERTY/CASUALTY INSURANCE COMPANIES; CO-OPERATIVE PROPERTY/CASUALTY INSURANCE COMPANIES; 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 State Insurance Law indicate that the net value of the Property/Casualty Insurance Security Fund as of December 31, 1997 was less than \$150 million. Section 7603 provides that when the net value of the fund is less than \$150 million, contributions shall be resumed. Such section further provides that if contributions are so resumed they shall be apportioned among those kinds of insurance for which payments were made from the fund during the fund year in which the net value was reduced below such amount, and among insurers in accordance with their respective amounts of net direct premiums written in each such kind of insurance.

During the fund year ending December 31, 1997, payments were made from the Property/Casualty Insurance Security Fund for various kinds of insurance as defined in Insurance Law Section 1113. Accordingly, contributions to the Property/Casualty Insurance Security Fund shall be resumed on the basis of "net direct written premiums" on policies insuring property or risks located or resident in this state for each of the following Lines of Business as listed on Page 15 (New York Business) of the Annual Statement. "Net direct written premiums" equals column 2 minus column 4 on Page 15. The premiums and dividends in column 2 and 4 respectively shall be adjusted to account for premiums subject to contributions to the Public Motor Liability Security Fund. The contributions shall be made on a quarterly basis by multiplying the factor listed by the 1998 quarterly net direct written premium to which it applies.

Annual Statement Line

Applicable Factor

1	Fire	.0012
2.1	Allied lines	.0007
2.2	Multiple peril crop	.0000
2.3	Federal flood	.0007
3	Farmowners multiple peril	.0012
4	Homeowners multiple peril	.0012
5.1	Commercial multiple peril (non liability portion)	.0009
5.2	Commercial multiple peril (liability portion)	.0027
8	Ocean marine	.0003
9	Inland marine	.0004
10	Financial guaranty	.000
11	Medical malpractice	.0027
12	Earthquake	.0007
17	Other liability	.0027
18	Product liability	.0027
19.1	Private passenger auto no-fault (PIP)	.0027
19.2	Other private passenger auto liability	.0027
19.3	Commercial auto no-fault (PIP)	.0027
19.4	Other commercial auto liability	.0027
21.1	Private passenger auto physical damage	.0000
21.2	Commercial auto physical damage	.0000
22	Aircraft (all perils)	.0016
23	Fidelity	.0009
24	Surety	.0009
26	Burglary and theft	.0006
27	Boiler and machinery	.0002
28	Credit	.0000

The first quarterly payment will be due on or before June 30, 1998 for the quarter ending March 31, 1998. The required report forms, additional information and instructions will follow both in hard copy and on the Department's website.

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 continue to be exempt from contribution.

In view of the issue date of this Circular Letter Supplement, the late payment provisions of Section 7614 will not be imposed on an insurer unable to meet the June 30, 1998 due date. However, returns for the first quarter received after July 15, 1998 will be subject to the foregoing penalty provisions. Such insurer must submit a reasonable explanation for the delay.

Please acknowledge receipt of this letter and refer any questions to:

Mr. Frank M. D'Amico

Director of Taxes and Accounts
New York State Insurance Department
Governor Nelson A. Rockefeller Plaza
Agency Building One
Albany, NY 12257

Very truly yours,

(Signed)

Neil D. Levin
Superintendent of Insurance