



**STATE OF NEW YORK  
INSURANCE DEPARTMENT**

AGENCY BUILDING ONE  
EMPIRE STATE PLAZA  
ALBANY, NY 12257

**Circular Letter No. 39 (2000)  
December 21, 2000**

**TO: All Insurers and Corporations Subject to Examination by the New York State Insurance Department**

**RE: Change in Examination Billing Methodology**

The New York State Insurance Department (the "Department") continually seeks to increase efficiency and accuracy in all aspects of its operations. As such, the Department has instituted a new tracking system for examiner hours which are billed to each institution pursuant to Section 313 of the New York Insurance Law. This new system provides for the recording of more specific activity detail for each examination (both financial and market conduct), and for the first time permits the capture of off-site examination-specific work, of which the most important part is planning and review, heretofore not recorded.

Beginning in 2001, the examiner billing statements shall reflect the examination-specific off-site activity which will increase the accuracy of the actual cost of the examination, thereby reducing the general assessment levied by the Department under the provisions of Section 332 of the Insurance Law.

The Department believes this new billing system provides for an increasingly accurate and fair approach, since it captures more of the actual costs of examinations that each institution shall pay. This approach is also in keeping with the audit and consulting practices of most service firms.

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

Mr. Frank D'Amico  
Director of Taxes and Accounts  
New York State Insurance Department  
Governor Nelson A. Rockefeller Plaza  
Agency Building One  
Albany, New York 12257  
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Very truly yours,

Neil D. Levin  
Superintendent of Insurance