



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

**Circular Letter No. 30 (2001)
October 5, 2001**

TO: All Licensed Property/Casualty Insurance Companies, Reinsurance Companies, Financial Guaranty, Mortgage Guaranty and Title Insurers

RE: Extension of time for execution of certain reinsurance agreements due to September 11, 2001 World Trade Center Disaster

STATUTORY REFERENCE: Regulation 172 (11 NYCRR 83)

The September 11, 2001 World Trade Center (WTC) disaster has had far reaching effects on the normal business practices of companies located in the WTC and surrounding buildings. Some insurers have requested that the Department grant an extension of the deadline contained in Part 23 of SSAP 62 of the NAIC Accounting Practices and Procedures Manual.

Part 23 of SSAP 62 of the NAIC Accounting Practices and Procedures Manual states, in part, that "...if an agreement entered into, renewed or amended on or after January 1, 1994 has not been finalized, reduced to a written form, and signed by the parties within nine months after commencement of the policy period covered by the reinsurance arrangement, then the arrangement is presumed to be retroactive and shall be accounted for as a retroactive reinsurance agreement..."

Due to the difficulties that companies are experiencing as a result of the WTC disaster, for those reinsurance contracts that became effective in December 2000, January 2001, or February 2001, for which finalized versions would be required in September, October or November of 2001, an insurer will not have to account for the agreement as a retroactive reinsurance agreement if it finalizes the contract on or before December 31, 2001. This extension applies only to those contracts that involved insurers, agents, brokers or intermediaries whose offices were located in the WTC or the surrounding buildings affected by the September 11 disaster. Whenever an insurer utilizes this extension, the insurer must maintain satisfactory evidence that a party whose office was located in the WTC or one of the affected surrounding buildings negotiated the agreement.

Any questions concerning this subject may be directed to Jody Wald, Associate Insurance Examiner, at the above address, by e-mail at jwald@ins.state.ny.us, or at (212) 480-5151.

Very truly yours,

Mark Presser
Assistant Deputy Superintendent and Bureau Chief
Property Bureau