



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

George E. Pataki  
Governor

Gregory V. Serio  
Superintendent

**Circular Letter No. 9 (2003)  
May 5, 2003**

**TO: ALL PROPERTY/CASUALTY INSURANCE COMPANIES; CO-OPERATIVE PROPERTY/CASUALTY  
INSURANCE COMPANIES; RECIPROCAL INSURERS; FINANCIAL GUARANTY INSURANCE  
CORPORATIONS; AND NEW YORK MEDICAL MALPRACTICE INSURANCE PLAN**

**RE: PROPERTY/CASUALTY INSURANCE SECURITY FUND**

**STATUTORY REFERENCE: INSURANCE LAW SECTIONS 7603 AND 7606**

Please be advised that determinations made in accordance with the requirements of Sections 7603 and 7606 of the New York Insurance Law indicate that the net value of the Property/Casualty Insurance Security Fund as of December 31, 2002 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, 2002, 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 24 (New York Business) of the Annual Statement. "Net direct written premiums" equals column 1 minus column 3 on Page 24. The premiums and dividends in column 1 and 3 respectively shall be adjusted to account for premiums subject to contributions to the Public Motor Vehicle Liability Security Fund. The contributions shall be made on a quarterly basis by multiplying the factor listed by the 2003 quarterly net direct written premium to which it applies.

<u>Annual Statement Line</u>	<u>Applicable Factor</u>
1. Fire	.0006
2.1 Allied lines	.0005
2.2 Multiple peril crop	.0000
2.3 Federal flood	.0005
3. Farmowners multiple peril	.0012
4. Homeowners multiple peril	.0015
5.1 Commercial multiple peril (non liability portion)	.0005
5.2 Commercial multiple peril (liability portion)	.0057
6. Mortgage Guaranty	.0000
8. Ocean marine	.0000
9. Inland marine	.0002
10. Financial guaranty	.0000
11. Medical malpractice	.0057

12. Earthquake	.0005
13. Accident & Health	.0000
16. Workers' Compensation	xxxx
17. Other liability	.0057
18. Product liability	.0057
19.1 Private passenger auto no-fault (PIP)	.0057
19.2 Other private passenger auto liability	.0057
19.3 Commercial auto no-fault (PIP)	.0057
19.4 Other commercial auto liability	.0057
21.1 Private passenger auto physical damage	.0002
21.2 Commercial auto physical damage	.0002
22. Aircraft (all perils)	.0036
23. Fidelity	.0042
24. Surety	.0042
26. Burglary and theft	.0004
27. Boiler and machinery	.0001
28. Credit	.0000

The first quarterly payment will be due on or before June 5, 2003 for the quarter ending March 31, 2003. 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, the late payment provisions of Section 7614 will not be imposed on an insurer unable to meet the June 5, 2003 due date. However, returns for the first quarter received after June 20, 2003 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:

Ms. Lori A. Fraser  
 Director of Taxes and Accounts  
 New York State Insurance Department  
 One Commerce Plaza  
 Albany, NY 12257

Very truly yours,

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Gregory V. Serio  
 Superintendent of Insurance