

INSURANCE DEPARTMENT OF THE STATE OF NEW YORK  
First Amendment to Regulation 172  
(11 NYCRR 83)

FINANCIAL STATEMENT FILINGS AND ACCOUNTING  
PRACTICES AND PROCEDURES

I, Gregory V. Serio, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 107(a)(2), 201, 301, 307, 308, 1109, 1301, 1302, 1308, 1404, 1405, 1407, 1411, 1414, 1501, 1505, 3233, 4117, 4233, 4239, 4301, 4310, 4321-a, 4322-a, 4327 and 6404 of the Insurance Law, Sections 4403, 4403-a, 4403-(c)(12) and 4408-a of the Public Health Law, and Chapter 599 of the Laws of 2002, do hereby promulgate the First Amendment to Part 83 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation No. 172) to take effect upon publication in the State Register.

(NEW MATTER UNDERSCORED, DELETED MATTER IN BRACKETS)

Section 83.1 Purpose.

The purpose of this Part is to enhance the consistency of the accounting treatment of assets, liabilities, reserves, income and expenses by entities subject hereto, by setting forth the accounting practices and procedures to be followed in completing annual and quarterly financial statements required by law.

Section 83.2 Background.

(a) Certain provisions of the Insurance Law provide that authorized insurers, accredited reinsurers, and authorized fraternal benefit societies[, and Public Health Law Article 44 Health Maintenance Organizations and Integrated Delivery Systems] shall file financial statements annually and quarterly with the superintendent. These entities are subject to the provisions of Sections 307 and 308 of the Insurance Law and are required to file what are known as Annual and Quarterly Statement Blanks on forms prescribed by the superintendent ("Financial Statements"). Except in regard to filings made by Underwriters at Lloyd's, London, the superintendent has prescribed forms and Annual and Quarterly Statement Instructions ("Instructions") that are adopted from time to time by the National Association of Insurance Commissioners ("NAIC"), as supplemented by additional New York forms and instructions.

(b) Section 4408(5) of the Public Health Law and Sections 98-1.16(a) and 98-1.16(b) of Title 10 provide that Public Health Law Article 44 Health Maintenance Organizations and Integrated Delivery Systems shall file financial statements annually and quarterly with both the Commissioner of Health and the superintendent. The commissioner has prescribed forms and instructions that are adopted from time to time by the NAIC, as supplemented by additional New York forms and instructions.

(c) To assist in the completion of the Financial Statements, the NAIC also adopts and publishes from time to time certain policy, procedure and instruction manuals. [One] The latest of

these manuals, the *Accounting Practices and Procedures Manual [Effective January 1, 2001] As Of March [2000\*] 2002\** ("Accounting Manual") includes a body of accounting guidelines referred to as *Statements of Statutory Accounting Principles* ("SSAPs").

[(c)](d) Section 1109(e) of the Insurance Law authorizes the superintendent to promulgate regulations in effectuating the purposes and provisions of the Insurance Law and Article 44 of the Public Health Law regarding Health Maintenance Organizations, and Section 4301(e)(5) authorizes the superintendent to modify any regulatory requirement in order to encourage the development of Health Maintenance Organizations in this state. Subdivision (7) of Section 4408-a of the Public Health Law (Integrated Delivery Systems) authorizes the superintendent, jointly with the Commissioner of Health, to establish standards governing the fiscal solvency of Integrated Delivery Systems [and Sections 4408(2), 4403-c(12) and 4403-d(11)(e) require the filing of financial reports by Prepaid Health Service Plans and Comprehensive Special Needs Plans].

(e) Section 4403-c(12) of the Public Health Law requires the filing of financial reports by Comprehensive HIV Special Needs Plans. The Commissioner of Health has determined, as authorized by Public Health Law Section 4403-a(3), that Prepaid Health Service Plans shall file financial reports. Although Annual and Quarterly Statements of Comprehensive HIV Special Needs Plans and Prepaid Health Service Plans are not to be filed with the superintendent, the commissioner has determined that Annual and Quarterly Statements of Comprehensive HIV Special Needs Plans and Prepaid Health Service Plans should follow accounting procedures that are consistent with those utilized by other organizations holding certificates of authority in accordance with Public Health Law Article 44.

(f) In accordance with these sections, this Part sets forth certain accounting rules applicable to Public Health Law Article 44 Health Maintenance Organizations, Integrated Delivery Systems, Prepaid Health Services Plans and Comprehensive HIV Special Needs Plans. This Part does not apply to managed long term programs licensed pursuant to Section 4403-f of the Public Health Law.

(g)(1) A codification manual was initially adopted by the NAIC in March of 1998 with an effective date of January 1, 2001. Since its adoption by the NAIC in 1998, the manual has been subject to a prescribed and deliberate maintenance process at the NAIC. As a result of such maintenance process, the anticipated procedure is that the NAIC will publish an updated manual in March of each year.

(2) The "Accounting Manual" that is referred to in subdivision (c) of this section and adopted by the superintendent in accordance with the provisions of Section 83.3(c) of this Part, subject to the "conflicts and exceptions" provisions of Section 83.4 of this Part, is the most recent published edition of the manual.

(3) In the time between the annual publication of these manuals, in order to provide the most current information on SSAPs that are presently under consideration at the NAIC, the NAIC has placed certain accounting pronouncements on its website until the next manual is published. Access

to the NAIC's Statutory Accounting Principles Working Group webpage is available at [www.naic.org/1finance/sapwg/index.htm](http://www.naic.org/1finance/sapwg/index.htm) and the Emerging Accounting Issues Working Group is located at [www.naic.org/1finance/eaiwg/index.htm](http://www.naic.org/1finance/eaiwg/index.htm). These pages are also accessible by clicking on "Statutory Accounting" under the "Relevant Issues" section at [www.naic.org](http://www.naic.org).

(4) It is the superintendent's intention to update this Part each year in order to adopt the newly published accounting manual, subject to such exceptions (as set forth in Section 83.4 of this Part) as may be appropriate because of New York law or policy. If it becomes necessary for the superintendent to apprise the public and the insurance industry of new information regarding accounting practices prior to the next updating of this Part, the superintendent may issue circular letters to provide advice and instruction, or the superintendent may amend this Part as appropriate. Such information will also be included on the Insurance Department's website under "Codification Developments".

### Section 83.3 Accounting practices and procedures.

(a) The Financial Statements of all authorized insurers, accredited reinsurers (except Underwriters at Lloyd's, London), authorized fraternal benefit societies, and Public Health Law Article 44 Health Maintenance Organizations, Integrated Delivery Systems, Prepaid Health Services Plans and Comprehensive HIV Special Needs Plans (all defined as "insurers" for the purposes of this Part) shall be completed in accordance with statutory accounting practices and procedures as prescribed by applicable provisions of the Insurance Law and this Title.

(b) Pursuant to Sections 307 and 308 of the Insurance Law, Financial Statements required to be submitted to the superintendent shall be in a form prescribed by the superintendent and shall be prepared in accordance with instructions prescribed by the superintendent. Pursuant to Sections 4403, 4403-a, 4403-c, and 4408-a of the Public Health Law, Financial Statements required to be submitted to the Commissioner of Health shall be in a form prescribed by the commissioner and shall be prepared in accordance with instructions prescribed by the commissioner.

(c) Notwithstanding any other provision of this Title, the Accounting Manual is adopted in its entirety, except as provided in Section 83.4 of this Part, and, subject to such conflicts and exceptions, insurers shall follow the accounting practices and procedures prescribed by the Accounting Manual. The document may also be viewed at the New York State Insurance Department's New York City office at 25 Beaver Street, New York, NY 10004.

#### Section 83.4 Conflicts and exceptions.

The following are SSAPs or sections of SSAPs that conflict with provisions of the Insurance Law in whole or in part. These SSAPs or sections thereof are either not adopted, or modified and insurers shall follow the additional guidance, as indicated:

(a)(1) Paragraph 6 of SSAP No. 6 *Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers* is adopted with the following addition:

Premium accruals pertaining to guaranteed rates in the form of annual level subscriber rates, as permitted by Section 52.42 (b)(3)(ii) of this Title (Regulation No. 62) for Public Health Law Article 44 Health Maintenance Organizations, Integrated Delivery Systems, Prepaid Health Services Plans and Comprehensive HIV Special Needs Plans, meet the definition of assets in SSAP No. 4 *Assets and Nonadmitted Assets* and are admitted if evidenced by an approved contract provision or rider. In the event of the termination of a group, any premium due on such guaranteed rates shall be nonadmitted as prescribed in Paragraph 9 of SSAP No. 6 or written off as prescribed in Paragraph 10 of SSAP No. 6.

(2) Paragraph 9(a) of SSAP No. 6 *Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers* is adopted with the following addition:

Overdue premiums (either direct or indirectly due) from the United States government or any of its instrumentalities shall be admitted assets, in accordance with Section 1301(a)(11) of the Insurance Law. Instrumentalities as used herein shall also include state and local governments.

(b) The guidance prescribed in [Paragraphs 5 through 11 and 17 through 19] Paragraph 8 of SSAP No. 10 *Income Taxes* is not adopted. A refund due from the Treasury should be collectible within a brief period after the statement date, in order to be considered an admitted asset. A balance due as a result of participation in a consolidated tax return should be paid over promptly by the parent. An open account or promissory note from the parent would not be an admissible asset, and may violate the provisions of Section 1407(a)(4) of the Insurance Law. [In addition, all requirements related to deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs") in Paragraphs 20 and 21 are not adopted. DTAs or DTLs shall not be recorded or disclosed except as required in Appendix A-205 Illustrative Disclosure of Differences Between NAIC Statutory Accounting Practices and Procedures and Accounting Practices Prescribed or Permitted by the State of Domicile of the Accounting Manual, which is adopted.] For financial statements required to be filed for periods ending on or after December 31, 2002, the calculation of gross deferred tax assets as admitted assets shall be made in the following manner:

Gross deferred tax assets shall be deemed admitted in an amount not to exceed the sum of:

(A) federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year;

(B) the lesser of:

- (i) the amount of gross deferred tax assets after the application of subparagraph (A) of this paragraph expected to be realized within one year of the balance sheet date, or
- (ii) ten percent of the insurer's statutory capital and surplus as required to be shown on the statutory balance sheet for its most recently filed statement with the superintendent adjusted to exclude any net deferred tax assets, electronic data processing equipment, and goodwill as permitted by subdivision (t) of this section; and

(C) the amount of gross deferred tax assets after application of subparagraphs (A) and (B) of this paragraph that can be offset against existing gross deferred tax liabilities.

(c)(1) SSAP No. 16 *Electronic Data Processing Equipment and Software* is not adopted. [Section 1301(a)(18) of the Insurance Law shall apply. In addition, nonoperating system software shall be nonadmitted and shall be depreciated over the lesser of its useful life or 5 years.]

(2) Paragraphs 1, 2, 4 and 5 of SSAP No. 79 *Depreciation of Nonoperating System Software-An Amendment to SSAP No. 16-Electronic Data Processing Equipment and Software* are not adopted.

(3)(i) Paragraph 3 of SSAP No. 79 states in part: "EDP equipment and operating system software shall be depreciated over the lesser of its useful life or three years." This quoted sentence is not adopted. Section 1301(a)(18) of the Insurance Law shall apply. In addition, nonoperating system software shall be nonadmitted.

(ii) Paragraph 3 of SSAP No. 79 states in part: "Nonoperating system software shall be depreciated over the lesser of its useful life or five years. In either case, the methods detailed in SSAP No. 19 *Furniture, Fixtures and Equipment; Leasehold Improvements Paid by the Reporting Entity as Lessee; Depreciation of Property and Amortization of Leasehold Improvements* shall be used." These quoted sentences are adopted.

(d) Paragraph 5 of SSAP No. 19 *Furniture, Fixtures and Equipment; Leasehold Improvements Paid by the Reporting Entity as Lessee; Depreciation of Property and Amortization of Leasehold Improvements* is adopted with the following addition:

Leasehold improvements, relating to home office space of Article 43 corporations [and], Public Health Law Article 44 Health Maintenance Organizations, and Integrated Delivery Systems[, Prepaid Health Services Plans and Comprehensive Special Needs Plans] as lessees, approved for capitalization by the superintendent prior to January 1, 2001, shall be admitted. Leasehold improvements relating to home office space of Comprehensive HIV Special Needs Plans and Prepaid Health Service Plans as lessees, approved for capitalization by the commissioner of health prior to January 1, 2001, shall be admitted. Effective January 1, 2001, all new leasehold improvements shall be accounted for in accordance with Paragraph 5 of SSAP No. 19.

(e)(1) Except as provided in paragraphs (2) and (3) of this subdivision, Paragraph 4 of SSAP No. 20 *Nonadmitted Assets* is adopted [with the following addition:

Pharmaceutical rebates estimated by a health entity shall be admitted assets. In accordance with SSAP No. 5, amounts determined to be uncollectible, or otherwise impaired, shall be written off. All unsecured receivables from health care providers shall be nonadmitted. Secured shall be defined herein as evidenced by an executed note. In accordance with SSAP No. 5, amounts determined to be uncollectible, or otherwise impaired, shall be written off].

(2) Paragraph 4(c) of SSAP No. 20 is adopted with the following addition:

Section 1411(f)(1) and (2) of the Insurance Law prohibits loans to officers or directors.

(3) Paragraph 4(f) of SSAP No. 20 is adopted, except that aircraft may be recorded as an admitted asset if the requirements of Section 1301(a)(19) of the Insurance Law are met.

(f) Paragraph 3 of SSAP No. 22 *Leases* is adopted with the following addition:

Leases entered into by Article 43 corporations [and], Public Health Law Article 44 Health Maintenance Organizations, and Integrated Delivery Systems, [Prepaid Health Service Plans and Comprehensive Special Needs Plans,] approved for capitalization by the superintendent prior to January 1, 2001, shall be admitted. Leases entered into by Comprehensive HIV Special Needs Plans and Prepaid Health Service Plans, approved for capitalization by the Commissioner of Health prior to January 1, 2001, shall be admitted. Effective January 1, 2001, all new leases shall be accounted for in accordance with Paragraph 3 of SSAP No. 22.

(g)(1) Paragraph 5 of SSAP No. 25 *Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties* is not adopted. Section 1501(c) of the Insurance Law provides that the superintendent may determine upon application that any person does not, or will not upon the taking of some proposed action, control another person. 10 NYCRR 98-1.9(d) authorizes the Commissioner of Health to make a similar determination with respect to organizations with a certificate of authority pursuant to Public Health Law Article 44.

(2) [Paragraph 7 of SSAP No. 25 is adopted with the following addition:

Section 1411(f)(1) and (2) of the Insurance Law prohibits loans to officers or directors.] Paragraphs 6 and 7 of SSAP No. 25 are not adopted. Section 4310(b) of the Insurance Law provides that certain Article 43 corporations described therein may invest, in the aggregate, not more than three percent of their admitted assets in obligations, shares or other securities issued by a parent corporation which is organized as a not for profit entity or a corporation which is an affiliate or will be an affiliate after direct or indirect acquisition by the parent corporation. Section 1407(a)(4) of the Insurance Law prohibits accident and health insurers and property/casualty insurers from investing in obligations, shares or other securities issued by a parent corporation or a corporation which is an affiliate or will be an affiliate after direct or indirect acquisition by the insurer. Further, loans and advances between a domestic controlled insurer and any person in its holding company system are

subject to the reporting and approval thresholds prescribed in Section 1505 of the Insurance Law. Section 1411(f)(1) and (2) of the Insurance Law prohibits loans to officers and directors.

(h) SSAP No. 29 *Prepaid Expenses* is not adopted. Sections 1301(a)(9) and 1302(a)(2) of the Insurance Law shall apply.

(i) Paragraph 7 of SSAP No. 30 *Investments in Common Stock (excluding investments in common stock of subsidiaries, controlled, or affiliated entities)* is adopted with the following addition:

Section 1414(c)(1) and (2) of the Insurance Law requires that the shares of an insurer that is not a subsidiary be valued at market value if they are listed on a national exchange, or, if they are not so listed, at the lesser of market value or book value as shown by the insurer's last annual statement or the last report on examination, whichever is more recent.

(j) Paragraphs 5 and 6 of SSAP No. 34 *Investment Income Due and Accrued* are not adopted. Sections 1301(a)(4), 1301(a)(5), 1301(a)(6) and 1301(a)(7) of the Insurance Law shall apply.

[(j)](k) Paragraph 5 of SSAP No. 35 *Guaranty Fund and Other Assessments* is adopted with the following addition:

The following shall be admitted assets of Article 43 Corporations, Public Health Law Article 44 Health Maintenance Organizations, Integrated Delivery Systems, Prepaid Health Services Plans and Comprehensive HIV Special Needs Plans with or without notification of refund or payment:

(i) Estimated market stabilization reinsurance or pooling recoverables under Section 3233 of the Insurance Law;

(ii) Estimated stop-loss recoverables under Sections 4321-a, 4322-a and 4327 of the Insurance Law; and

(iii) Estimated reinsurance recoverables under Department of Health New York State Medicaid Managed Care Reinsurance Program.

In accordance with SSAP No. 5, amounts determined to be uncollectible, or otherwise impaired, shall be written off.

[(k)](l) Paragraph 14 of SSAP No. 37 *Mortgage Loans* is not adopted. The limitations on amounts of accrued interest prescribed in Section 1301(a)(7) of the Insurance Law shall apply.

[(l)](m) For life insurers, Paragraph 8 of SSAP No. 40 *Real Estate Investments* is not adopted. Depreciation on real estate investments owned by life insurers shall be computed at a rate no greater than two and one-half percent per annum, in accordance Section 1405(b)(1)(C) of the Insurance Law.

[(m)](n)(1) Paragraph 5 of SSAP No. 46 *Investments in Subsidiary, Controlled, and Affiliated Entities* is not adopted. Pursuant to Section 1501(c) of the Insurance Law, the superintendent may determine upon application that any person does not, or will not upon the taking of some proposed

action, control another person. 10 NYCRR 98-1.9(d) authorizes the Commissioner of Health to make a similar determination with respect to organizations with a certificate of authority pursuant to Public Health Law Article 44.

(2) Paragraph 7 of SSAP No. 46 is not adopted with respect to subsidiaries that are insurers. Pursuant to Section 1414(c)(2) of the Insurance Law, the shares of an insurer that is a subsidiary shall be valued at the lesser of its market value or book value as shown by its last annual statement or the last report on examination, whichever is more recent.

(3) Paragraph 7(b)(i) of SSAP No. 46 is not adopted with respect to Public Health Law Article 44 Health Maintenance Organizations which are subsidiaries and which record goodwill as an admitted asset pursuant to Section 83.4(t) of this Part. Investments in such entities shall be recorded based on the underlying statutory equity of the respective entity's financial statements, including an admitted asset for goodwill as provided for in Section 83.4(t) of this Part.

[(n)](o)(1) Paragraph 19(g) of SSAP No. 57 *Title Insurance* is not adopted. Pursuant to Section 6404(a) of the Insurance Law, a title insurance corporation may claim an admitted asset of up to five percent of its admitted assets for its investment in its title plant acquired after December 31, 1969.

(2) Appendix A-628-17(b)(iv) to SSAP No. 57 is not adopted. Sections 6405(a)(1) and (2) of the Insurance Law provide a formula for determining the amounts to be released from the reinsurance reserve for title insurance companies. The formula differs from the requirements of the appendix to SSAP No. 57.

[(o)](p) Paragraph 53 of SSAP No. 61 *Life, Deposit-Type and Accident and Health Reinsurance* is not adopted. Pursuant to Section 1302(a)(1) of the Insurance Law, all goodwill resulting from assumption reinsurance transactions shall be nonadmitted.

[(p)](q)(1) Paragraph 36 of SSAP No. 62 *Property and Casualty Reinsurance* is adopted with the following addition:

Insurers shall apply the additional restrictions as to admitted reinsurance premiums past due prescribed in Section 1301(a)(11) of the Insurance Law.

(2) The accounting treatment for loss portfolio transfers effective January 1, 2001 and subsequent shall follow the guidelines set forth in Paragraphs 27 through [34] 33 of SSAP No. 62 and Paragraph 3 of SSAP No. 75. All loss portfolio transfers effective prior to January 1, 2001 shall continue to be governed by the provisions of Part 112 of this Title (Regulation No. 108).

[(q)](r) Paragraph 4 of SSAP No. 64 *Offsetting and Netting of Assets and Liabilities* is adopted with the following addition:

Claims paid in error by health entities to providers may not be fully recoverable. To the extent that the claim overpayments meet the setoff conditions in SSAP No. 64, the right of offset is supported by a contractual agreement, and the overpayments are specific identifiable

payments and not high level estimates, the receivable shall be offset against the related liability. In accordance with SSAP No. 5, any amounts not reasonably expected to be recovered shall be written off. Amounts in excess of that written off that do not meet the right of offset shall be nonadmitted, as they are not available to satisfy policyholder obligations.

[(r)](s) Paragraphs 10, 11 and 14 of SSAP No. 65 *Property and Casualty Contracts* are not adopted. In accordance with Section 4117(d)(1) and (2) of the Insurance Law, non-tabular reserves and medical claims shall be discounted, and Incurred But Not Reported reserves and unpaid loss adjustment expenses shall not be discounted.

[(s)](t) Paragraph 7 of SSAP No. 68 *Business Combinations and Goodwill* is not adopted. Section 1302(a)(1) of the Insurance Law shall apply. Goodwill recorded as an admitted asset on the books of a Public Health Law Article 44 Health Maintenance Organization, Integrated Delivery System, Prepaid Health Services Plan or Comprehensive HIV Special Needs Plan as of December 31, 2000, which is in compliance with Generally Accepted Accounting Principles, shall continue to be treated as an admitted asset on Financial Statements filed with the superintendent or the Commissioner of Health.

[(t)](u) Paragraphs 15, 16, and 17 (Quasi-reorganizations) of SSAP No. 72 *Surplus and Quasi-reorganizations* are not adopted for domestic stock property/casualty insurance companies. Section 4105(a) of the Insurance Law permits dividends to be declared or distributed only out of earned surplus as defined in Section 4105(a)(1).

[(u)](v) Paragraph 9 of SSAP No. 73 *Health Care Delivery Assets – Supplies, Pharmaceutical and Surgical Supplies, Durable Medical Equipment, Furniture, Medical Equipment and Fixtures, and Leasehold Improvements in Health Care Facilities* is not adopted. Durable medical equipment, furniture, medical equipment and fixtures, and leasehold improvements shall be depreciated utilizing a depreciation schedule no less conservative than that set forth in the latest revision of *Estimated Useful Lives of Depreciable Hospital Assets (Revised 1998 Edition)*\*\*. The document may also be viewed at the New York State Insurance Department's New York City office at 25 Beaver Street, New York, NY 10004. Leasehold improvements in health care facilities shall be amortized against net income over the shorter of their estimated useful life or the remaining life of the original lease excluding renewal or option periods, using methods detailed in SSAP No. 19.

(w) SSAP No. 74 Accounting for the Issuance of Insurance-Linked Securities Issued by a Property and Casualty Insurer through a Protected Cell is not adopted. The New York Insurance Law does not permit an insurer to reduce its loss reserves by any credits other than reinsurance.

(x)(1) Paragraphs 10, 11, 12 and 13 of SSAP No. 84 Certain Health Care Receivables and Receivables Under Government Insured Plans (to be effective January 1, 2003) pertaining to pharmaceutical rebates are adopted. Paragraph 27 of SSAP No. 84 is adopted except that prior to January 1, 2003 pharmaceutical rebates estimated by a health entity shall be admitted assets. In

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accordance with SSAP No. 5, amounts determined to be uncollectible, or otherwise impaired, shall be written off.

(2) Paragraphs 20, 21 and 22 of SSAP No. 84 pertaining to risk sharing receivables are adopted. Paragraph 28 of SSAP No. 84 is adopted except that prior to January 1, 2003 all unsecured risk sharing receivables from health care providers shall be not admitted. Secured shall be defined as evidenced by an executed note. In accordance with SSAP No. 5, amounts determined to be uncollectible, or otherwise impaired, shall be written off.

Section 83.5 Special report - 2001 quarterly statement filing requirement.

In addition to the Quarterly Statement filings required by the Insurance Law or elsewhere in this Title, authorized insurers, accredited reinsurers (except Underwriters at Lloyd's, London), authorized fraternal benefit societies, and Public Health Law Article 44 Health Maintenance Organizations, Integrated Delivery Systems, Prepaid Health Services Plans or Comprehensive HIV Special Needs Plans shall prepare the reconciliations required under Appendix A-205 of the Accounting Manual for the quarters ended March 31<sup>st</sup>, June 30<sup>th</sup> and September 30<sup>th</sup>, 2001. Such reconciliations shall accompany the 2001 quarterly financial statements filed with the superintendent or the Commissioner of Health.

I, Gregory V. Serio, Superintendent of Insurance of the State of New York, do hereby certify that the foregoing is the First Amendment to Part 83 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation 172), entitled "Financial Statement Filings and Accounting Practices and Procedures", promulgated by me on March 6, 2003, pursuant to the authority granted by Sections 107(a)(2), 201, 301, 307, 308, 1109, 1301, 1302, 1308, 1404, 1405, 1407, 1411, 1414, 1501, 1505, 3233, 4117, 4233, 4239, 4301, 4310, 4321-a, 4322-a, 4327 and 6404 of the Insurance Law, Sections 4403, 4403-a, 4403-c(12) and 4408-a of the Public Health Law, and Chapter 599 of the Laws of 2002, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed regulation was published in the State Register on January 8, 2003. No other publication or prior notice is required by statute.

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GREGORY V. SERIO  
Superintendent of Insurance

March 6, 2003

