

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
INSURANCE DIVISION - PROPERTY BUREAU**

**Instructions for Compliance Report
§3425(f) New York Insurance Law**

- 1) The main report file is in Microsoft Excel format.
- 2) The file name is 3425f.xls. **ABSOLUTELY DO NOT:**
 - a. Insert any rows or columns in the report.
 - b. Change any of the range names.
 - c. Disable the protected feature.
 - d. Change any of the formulas.
- 3) It is strongly recommended that you immediately save the "3425f.xls" file to your computer before inputting any data. **The original file must be filled in and returned; do not paste the contents to a new sheet or create a different file (i.e. by copying & pasting).**
- 4) When entering data for this report, it is requested that every effort be made to conform to ISO territories. If you use non-ISO territories, please contact ISO for a conversion program. **DO NOT ATTEMPT** to change territories or territory numbers without first contacting ISO.
- 5) **Classes** - A given policy should appear in the report only once and should be included in whichever class is considered primary by the insurer. (e.g., A family auto driven by both an adult and a youthful male might be primarily classified as youthful male. For the purposes of this report, it should appear only once, either as "Adult Class" or as "Youthful Male Class", but not in both.) Note that all classes should conform to filed ISO classes.
- 6) **NOTE:** For insurers which have multiple rating programs approved under §2352 of the NY Insurance Law, a **SEPARATE REPORT** must be submitted for each such program. These should not be confused with multi-tier rating programs, which are approved under §2349 of the NY Insurance Law and 11 NYCRR 154, and are already addressed under a separate tab in the reporting form.

If such separate reports are being filed for multiple rating programs, the file name for each should uniquely identify which program it is for, and the cover letter/email submitted with the reports should describe, for each program:

- Name of the program
- Whether it is "active" for new business or "renewal-only"
- Date it was first approved to be effective
- The Department's file number under which it was approved
- Date when new policies stopped being written in the previous program(s)

Please also advise in the cover letter (or e-mail) if the business being reported represents a specialized or unique type of program (such as antique/collector automobile, etc).

7) Affirmation Worksheet

In this worksheet, complete the INSURER and CONTACT information; and answer the 2 questions concerning multi-tier program. **(The "Up-tier" tab of the report spreadsheet must be completed if you answered "yes" to both questions.)**

In addition, if the company is filing separate reports for multiple programs, the "Company Name" field should also include the name of the program.

The "Affirmation" must be completed and signed by an officer of the company; a scanned copy

of this worksheet must be submitted with the report; a hard copy is not required. A separate affirmation form must be submitted for each reporting company.

8) Report Spreadsheet Directions

NOTE: Assigned Risk, Motor Home, Trailer and Motorcycle policies should not be included.

Data required for each column are self-explanatory. For cells that may not be self-explanatory, additional information can be viewed by floating the mouse (cursor) over the appropriate cell to view the message.

In this worksheet, enter the reporting year and complete the INSURER and CONTACT information in cells B1 through B9.

Tables for "ADULT CLASS", "SENIOR CITIZEN CLASS", "YOUTHFUL MALE CLASS" and "YOUTHFUL FEMALE CLASS"

Column:

- 1 Enter here the number of policies-in-force as of December 31st, of the preceding calendar year.
This column is needed because the "2%" calculation is based on the number of policies in force at last year-end.
- 2 Enter here the number of policies-in-force as of January 1st, of the reporting calendar year.
Note that the number of policies in force in column (1) should be equal or similar to the number of policies in force in column (2). If not, please submit an explanation.
- 3 Enter here the new policies written during the reporting period.
- 4 Enter here the number of policies that were cancelled by Insurer during the first sixty days of a covered policy in accordance with Section 3425 (b) of the Insurance Law.
- 5 Enter here the number of policies that were cancelled by Insurer after the first sixty days of a covered policy in accordance with Section 3425 (c) of the Insurance Law.
- 6 Enter here the number of policies that were cancelled or not renewed by policyholders. NOTE: A policy that is cancelled under §3425(c)(1)(A), which requires that a notice of cancellation for non-payment is sent to the insured, is considered a cancellation by the company; therefore, such policies must be reported under either "(4) Policies Cancelled By Company During First 60 Days" or "(5) Policies Cancelled By Company After First 60 Days", as applicable.
NOTE: If the company has received approval from the Department for a withdrawal plan pursuant to NYIL §3425(r), please provide the Department's file number and a copy of such approval.
- 7 Enter here the number of policies that were not renewed by Insurer.
- 8 Enter here the number of policies that were conditionally renewed by Insurer in accordance with Section 3425 (d)(1) & Section 3425 (f)(1) of the Insurance Law.
- 9 Enter here any books of business transferred in from another company with prior acknowledgement by the Department.
- 10 Enter here any books of business transferred out to another company with prior acknowledgement by the Department.
Please submit a copy of the Department's acknowledgement letter if data is being reported in columns 9 & 10.

- 11 Enter here any books of business transferred in from another company without prior acknowledgement by the Department.
- 12 Enter here any books of business transferred out to another company without prior acknowledgement by the Department.

Note that policies "transferred out" of the company without prior Department acknowledgement will be treated as policies non-renewed by the company; accordingly, these policies will also be subject to the "2%" limitation in §3425(f).

- 13 This column reflects "Policies-in-force" as of December 31st of the reporting calendar year. This column is self-calculating and protected. **DO NOT** enter data here.

NOTE: The entire "COMBINED ALL CLASSES" section of the worksheet (columns BP – CB) is self-calculating and protected. **DO NOT** enter data in this table.

- 9) The "**Up-tier**" worksheet should be completed by insurers with an approved multi-tiering program. Use this worksheet to report the number of policies moved from lower rated tiers to higher rated tiers. Data required for each column are self-explanatory. For cells that may not be self-explanatory, additional information can be viewed by floating the mouse (cursor) over the appropriate cell to view the message.

Column:

- 1 Enter here the number of policies-in-force as of December 31st, of the preceding calendar year.
- 2 Enter here the new policies written during the reporting period.
- 3 Enter here the number of policies that were cancelled by Insurer during the first sixty days of a covered policy in accordance with Section 3425 (b) of the Insurance Law.
- 4 Enter here the number of policies moved from lower rated tiers to higher rated tiers.

Note that the number of policies moved from lower rated tiers to higher rated tiers in each of the rating territories for each calendar year shall be limited to three percent of the total number of private passenger automobile policies in force in that territory at last year-end pursuant to Section 2349 of the Insurance Law.

- 10) **"Non-renewal reasons" tab:** The fourth tab in the report spreadsheet, "Non-renewal reasons", was added as of the 2017 data year, to collect information regarding reasons in the aggregate for the non-renewal of policies providing personal automobile coverage as defined in NYIL §3425(a)(1), in accordance with the amended NYIL §3425(l)(2) requirement under Chapter 395 of the Laws of 2017. Please complete this tab as follows:

- Enter the number of policies for which the non-renewal reason(s) fall into the categories provided. As indicated, please note that these categories are only intended for use with this report; no changes should be made to the company's actual non-renewal practices.
- Where a policy has been non-renewed for more than one reason, the non-renewal for that policy should be counted in each applicable category (this will result in the total number of non-renewals in this part of the report to be higher than the total "Policies not renewed by company" in column BV of the "Report" tab; this is OK).
- In analyzing the company's policy records to complete this exhibit, careful effort should be made to allocate policies which have been non-renewed into the specified categories, so as to minimize the number of entries needed in the "Other" categories at the bottom of

the report form.

- For this year's report, the "Non-renewal reasons" tab is only requesting reasons for non-renewal; information for conditional renewals are not to be included.

11) Due Date: Annually, April 30th.

12) What to submit to the Department:

The completed Excel file and scanned Affirmation page should be submitted to the Department via e-mail addressed to: 3425report@dfs.ny.gov

The subject line of the email containing the submissions should contain the Company's name (abbreviated is acceptable), NAIC code, and "Section 3425 Report".

As an alternative, you may save the completed file(s) on a blank CD-R and mail it in a CD mailer along with the signed "Affirmation" to the following address:

New York State Department of Financial Services
One State Street
Property Bureau - 6th Floor
New York, NY 10004-1511
Attn: MARS Unit - Annual §3425(f) Compliance Report

Note that the Department does not require a printed copy of any part of the report.

If you experience any difficulties in using this file, contact Ms. Khatune Ghani by phone at (212) 480-5649, or by e-mail at Khatune.Ghani@dfs.ny.gov