

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
 REVIEW STANDARDS FOR FINANCIAL GUARANTY

LINE OF BUSINESS: Financial Guaranty

LINE(S) OF INSURANCE

CODES

CODE: 10.0000

none

none

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS FOR ALL FILINGS		The following web site represents the Department's initiative to streamline the procedures for form, rate and rule filings: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	Form/Page/Para Reference
COVER LETTER AND EXPLANATORY MEMORANDUM	CL 11 (1998)	The filing should include a cover letter, and an explanatory memorandum clearly explaining the intent of the filing, and highlighting any substantive changes (such as changes in ratemaking methodology or major coverages provided). If new form(s), territories, classification(s), or rule(s) are being filed and there are similar ones currently approved for use by a Rate Service Organization (RSO) or another insurer, or has been the subject of a filing previously not approved in New York, reference should be provided to the Department's file number or SERFF tracking number and effective date of the approval, or copies of the approved items should be included, if applicable. If the filing is currently in use in another state, this should be indicated.	
FILING SUBMISSION	§6905	Forms shall be filed within 30 days after their use for informational purposes. Rates and rules shall be filed prior to their use for informational purpose.	
Compliance Questionnaires, Forms and Optional "Speed to Market" Filing Procedures	CL 11 (1998) Supplement No 3 to CL 11 (1998)	Please refer to the following web site for additional information: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	
NO FILE OR FILING EXEMPTIONS	§6905	Forms are subject to "use and file." Rates and rules shall be filed prior to their use for informational purpose.	

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SIDE BY SIDE COMPARISON	CL 11 (1998)	If the filing is a revision to existing form(s), territories, classification(s) or rule(s); Except for simple, non-substantive changes, a side-by-side comparison of the form(s) or rule(s) being proposed and those currently in use in New York, with all changes clearly marked and explained in the company's cover letter or memorandum must be included. Revisions to classifications and territories should include a comparison between those currently on file (in New York) and those proposed, including relevant statistical data (experience) and any rate or rate relativity effect. There should be a reference to the Department's previous file number and/or a copy of the approval letter in which the current form(s), territories, classification(s) or rule(s) were approved/acknowledged.	
FORMS: POLICY PROVISIONS	§6905	The Financial Guaranty Form Filing Compliance Questionnaire contains detailed information for making a Financial Guaranty filing, available at: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	Form/Page/Para Reference
LOSS SETTLEMENTS			
Accelerated Payment Clause	§6905(a)	The policy must contain a provision that there shall be no acceleration clause due under the policy unless such acceleration clause is at the sole option of the insurer.	
DISCLOSURES	§6909	The policy clearly disclose that the policy is not covered by the Property/Casualty Insurance Security Fund	
RATES & RATING PLANS	§2304 & §2344 11NYCRR161(Reg. 129) Supplement No 4 to CL 11 (1998)	All rates, rating plans, and rating rules filings must be submitted in accordance with the instructions of Supplement No. 4 to Circular Letter 11 (1998) which outlines the new mandatory filing procedures effective September 16, 2002. These procedures contain the minimum required information that must accompany all rate, rating plan, and rating rule filings. Rate filings must include appropriate supporting information as outlined in the Rate Filing Sequence Checklist. Please note the relevant requirements contained in Section 2304 of the New York Insurance Law. For commercial lines filings subject to flex-rating under Section 2344, please also refer to Regulation 129 (11 NYCRR 161). Please refer to the following web site for additional information: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	Form/Page/Para Reference
CREDIT SCORING AND REPORTS		The use of credit scoring and reports is limited to the initial underwriting and/or initial tier placement of the risk.	
INDIVIDUAL RISK RATING	§2305 11NYCRR161.12 (Reg. 129)	Individual Risk Submissions not subject to prior approval shall not filed with the Department. All such information shall be retained in the insurer's individual underwriting file for each policy issued for a period of five years from the date of first issuance of such policy.	
RATING PLAN REQUIREMENTS	§2344 11NYCRR161.8(Reg. 129)	Rating plans are subject to prior approval. Even if the insurer is adopting a rating plan from a Rate Service Organization (RSO) without modification, such plan is subject to the prior approval requirements.	

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RATE/LOSS COST SUPPORTING INFORMATION			
Actuarial or other Rate Support	11NYCRR161 (Reg. 129) CL 19 (1992) Supplement No 4 to CL 11 (1998)	Rate making and supporting information for rates, rating plans, and rating rules must be organized into exhibits, which follow a sequential numbering system. The Rate Filing Sequence Checklist and the related instructions prescribe the required format used to support rate, rating plan, and rating rule filings, available at: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	