

REPORT ON EXAMINATION

OF THE

NEW YORK MUNICIPAL INSURANCE RECIPROCAL

AS OF

DECEMBER 31, 2003

DATE OF REPORT

DECEMBER 7, 2004

EXAMINER

ROBERT A. VARGAS

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

December 7, 2004

Honorable Gregory V. Serio
Superintendent of Insurance
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 22215 dated April 23, 2004, attached hereto, I have made an examination into the condition and affairs of the New York Municipal Insurance Reciprocal as of December 31, 2003 and respectively submit the following report thereon.

Wherever the designations "the Reciprocal" or "NYMIR" appear herein without qualification, they should be understood to indicate the New York Municipal Insurance Reciprocal.

Wherever the designation "WRM" or the "Manager" appear herein without qualification, they should be understood to refer to Wright Risk Management Company, Inc., Manager for the New York Municipal Insurance Reciprocal.

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York Insurance Department.

The examination was conducted at offices of Wright Risk Management, the Reciprocal's manager, located at 333 Earle Ovington Blvd. Uniondale, New York 11553.

1. SCOPE OF EXAMINATION

The previous examination was conducted as of December 31, 1999. This examination covered the four-year period from January 1, 2000 through December 31, 2003, and was limited in scope to the balance sheet items considered by this Department to require analysis, verification or description, including: investments, losses and reinsurance. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

A review or audit was also made of the following items as called for in the Examiners Handbook of the National Association of Insurance Commissioners:

- History of Company
- Management and control
- Corporate records
- Fidelity bond and other insurance
- Territory and plan of operation
- Growth of Company
- Business in force
- Loss experience
- Reinsurance
- Accounts and records
- Financial statements

A review was made to ascertain what action was taken by the Company with regard to comments and recommendations contained in the prior report on examination.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, rules, regulations or rules, or which are deemed to require explanation or description.

2. DESCRIPTION OF RECIPROCAL

The New York Municipal Insurance Reciprocal is an insurer, as defined in Section 107(a) (37) of the New York Insurance Law and organized pursuant to the provisions of Article 61 of the New York Insurance Law. As provided by the provisions of Section 6102(b) of the New York Insurance Law, the Superintendent approved the declaration creating a municipal reciprocal on August 23, 1993. The Reciprocal was licensed and commenced business on August 31, 1993.

The Reciprocal was organized to provide a market source for property and casualty insurance for New York State counties, towns, villages, cities or district corporations organized and existing under the finance law of the State of New York. NYMIR's policyholders engage in the business of inter-insurance on the reciprocal plan, through an attorney-in-fact. Each policyholder is a subscriber and only policyholders may be subscribers. The subscribers share proportionately in all losses, expenses, and profits of the reciprocal, based on the percentage to their premium represents to the total written premiums by NYMIR. To provide surplus, NYMIR requires each subscriber, as a prerequisite to the initial purchase of an insurance policy, to contribute to surplus of NYMIR in accordance with such plan as developed by its board of governors. Subscribers are required to contribute 20% of their initial surplus contribution or 8% percent of gross premiums in each of the first five years, or at their option accelerate such contributions.

In accordance with Section 6102(12) of the New York Insurance Law, NYMIR has selected not to be subject to coverage by the Property/Casualty Insurance Security Fund under Article 76 of the New York Insurance Law. Accordingly, NYMIR issues assessable policies, which provide for unlimited contingent several liabilities for assessment of its subscribers.

A Management

(i) Board of Governors

Pursuant to a declaration executed by the Superintendent of Insurance, and Section 6102 of the New York Insurance Law, a board of governors was elected to act on behalf of the subscribers with powers to supervise and control the attorney-in-fact and to control investment of the assets of the reciprocal insurer, along with such power as may be conferred by the articles of association and the subscribers' agreement. The articles of incorporation and the subscribers' agreement specify that the board of governors should consist of no fewer than nine members. As of December 31, 2003, the board of governors was comprised of thirteen members.

As of December 31, 2003, the members of the board of governors together with their residence and principal business affiliations were as follows:

<u>Name and Residence</u>	<u>Principle Business Affiliation</u>
Kenneth C. Andrews Dewitt, New York	President, KA X-Ray Services, Town of Dewitt
Robert J. Bondi Mahopac, New York	County Executive, Putnam County
Stanley J. Dudek Medina, New York	Chief Administrator, County of Orleans
Sandra L. Frankel Rochester, New York	Supervisor, Town of Brighton
John J. Gilfeather Red Hook, New York	Supervisor, Town of Red Hook
Gale M. Hatch Ilion, NY	Village Clerk/Treasurer, Village of Ilion
John R. Lapointe Putnam, New York	Retired, Town of Putnam

<u>Name and Business</u>	<u>Principal Business Affiliation</u>
John C. Layne Airmont, New York	Self-employed, Village of Airmont
Dominic F. Mazza Avon, New York	County Administrator, Livingston County
John T. McDonald III Cohoes, New York	Self employed, City of Cohoes
Jon Raymond Stead Broadalbin, New York	Chief Administrative Officer, Fulton County
Timothy P. Whitesell Binghamton, New York	Self-employed, Town of Binghamton
William J. Wood Cortland, New York	Self-employed, Town of Cortland

A review of the minutes of the board of governors' meetings held during the examination period indicated that the meetings were generally well attended and each board member had an acceptable record of attendance.

The principal officers of the Reciprocal as of December 31, 2003 were as follows:

<u>Name</u>	<u>Title</u>
Gale Marie Hatch	President
Kenneth Charles Andrews	Vice-President
John Charles Layne	Secretary
John Russell LaPointe	Treasurer

(ii) Attorney-in-Fact Agreement

The New York State Local Government Service Foundation, Inc. ("NYSLGSF"), a New York not-for-profit corporation, was appointed as the Attorney-in-fact for NYMIR pursuant to an organization meeting held on August 24, 1993. This appointment authorized the attorney-in-fact to

enter into all contracts necessary for the operations of NYMIR. In March 1995, formal agreement was executed by NYMIR to confirm the appointment of NYSLGSF as the Attorney-in-Fact.

The members of the board of directors and the officers of NYSLGSF as of December 31, 2003 are as follows:

Directors:

Jeffery Haber
Edward Farrell
Robert Gregory

Officers

G. Jeffery Haber
Edward Farrell
Robert Gregory

President
Vice-President
Treasurer

(iii) Management Agreement

Pursuant to a management agreement dated August 27, 1993, Wright Risk Management was appointed to manage the day to day operation of NYMIR and to assist the attorney-in-fact and the board of governors in the performance of their responsibilities pursuant to the subscriber's agreement and the New York Insurance Law. This agreement was effective July 1, 1998, covering five year period ending June 30, 2004. In accordance with the terms of the agreement, the general scope of services to be rendered by the Manager includes staffing and facilities, underwriting and policyholders' services, engineering and management services, claims and loss control services and accounting services. The agreement also states that WRM shall receive a fee of 15.5% of all gross written premiums, except that the fee shall be 17.5% of gross written premiums.

B. Territory and Plan of Operation

As of December 31, 2003, the Company was licensed to write business in New York only.

As of the examination date, the Reciprocal was licensed in the State of New York pursuant to article 61 of the New York Insurance Law and authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

<u>Paragraph</u>	<u>Line of Business</u>
4	Fire
5	Miscellaneous property damage
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
13	Personal injury liability
14	Property damage liability
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine

The following schedule shows the direct premiums written by the Reciprocal both in total and in New York for the period under examination:

DIRECT PREMIUMS WRITTEN

<u>Calendar Year</u>	<u>New York State</u>
2000	\$11,302,469
2001	\$15,523,612
2002	\$27,351,623
2003	\$39,978,786

Based on the lines of business for which the Reciprocal is licensed and pursuant to the requirements of Articles 13 and 61 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$1,800,000.

The major line of business written is other liability and is produced directly and through brokers.

C. Reinsurance

Assumed

The Company does not assume any reinsurance business.

Ceded

The Schedule F data as contained in the Reciprocal's filed annual statement was found to accurately reflect its reinsurance transactions.

The examiner reviewed all ceded reinsurance contracts in effect at December 31, 2003. The contracts all contained the required standard clauses including insolvency clauses meeting the requirements of Section 1308 of the New York Insurance Law.

A review of the Reciprocal's boiler and machinery reinsurance agreement effective September 1, 1999, indicated that such contract was not signed by the parties thereto until August 12, 2003. Chapter 22 of the National Association of Insurance Commissioners Accounting Practices and Procedures Manual states the following:

“...if a contract 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 the commencement of the policy period covered by the reinsurance arrangement, then the arrangement is presumed to be retroactive and must be accounted for as a retroactive reinsurance contract.”

A review of Schedule F, Part 3 of the annual statement shows that the amounts involved in restating the accounting of this contract are not materially significant and no adjustment is made per examination.

It is, however, recommended in the future that the Reciprocal comply with the Statement of Statutory Accounting Principles No. 62 (the successor to Chapter 22 of the National Association of

Insurance Commissioners Accounting Practices and Procedures Manual) and ensure that its reinsurance contracts are signed within the period specified.

The Reciprocal had the following ceded reinsurance program in effect at December 31, 2003:

<u>Type of Agreement</u>	<u>Cession</u>
<u>Property</u>	
<u>First Property Excess of Loss</u>	
Five Layers Automatic facultative reinsurance and Facultative property reinsurance 81% Authorized 19% Unauthorized	Limit of \$125,000,000 blanket limit risk or per occurrence excess of \$250,000 blanket limit risk per risk or per occurrence, subject to an occurrence limit of \$1,250,000.

The captioned property automatic facultative reinsurance treaty provides five layers of coverage. Layer one, two and three are placed at 100% placed. The fourth and fifth layers are placed at 66.66% and 80% respectively with the automatic facultative treaty and 33.33% and 20% respectively with the facultative property agreement.

<u>Type of Agreement</u>	<u>Cession</u>
<u>Boiler and Machinery</u>	
<u>Equipment Breakdown (Boiler and Machinery)</u> <u>Quota Share Excess of loss Treaty</u>	
100% Authorized	<u>Section A</u> Limit of up to 95% part of \$5,000,000 net loss per policy per accident
	<u>Section B</u> Limit of \$25,000,000 net loss per risk per occurrence excess of \$5,000,000 net loss per policy per accident

Type of AgreementCessionCasualtyFirst Casualty Excess of Loss (Policy limits equal \$1,000,000)

100% Authorized

Limit of \$750,000 ultimate net loss each and every occurrence excess of \$250,000 ultimate net loss each and every occurrence.

Casualty Excess of Loss (Umbrella Policy)

100% Authorized

General LiabilitySection (I)

\$900,000 in excess of \$100,000 as respect the first \$1,000,000 each occurrence, per person or organization personal advertising and products completed operations annual (aggregate) and the first \$2,000,000 annual (aggregate).

Section (ii)

\$9,000,000 in excess of \$1,000,000 each occurrence, per person or organization personal and advertising injury and products completed operations annual aggregate (general) and amounts of up to \$18,000,000 excess of \$2,000,000 annual aggregate (general).

AutomobileSection (i)

\$900,000 in excess of \$100,000 as respects the first \$1,000,000 each occurrence.

Section (ii)

\$9,000,000 in excess of \$1,000,000 each occurrence.

Public Officials LiabilitySection (I)

\$900,000 in excess of \$100,000 as respect the first \$1,000,000 any one claim and the first \$1,000,000 annual aggregate

Section (ii)

\$9,000,000 in excess of \$1,000,000 any one claim and amounts of up to \$9,000,000 in excess \$1,000,000 annual aggregate.

Type of AgreementCessionLaw Enforcement LiabilitySection (i)

\$900,000 in excess of \$100,000 as respect the first \$1,000,000 each occurrence and the first \$1,000,000 annual aggregate.

Section (ii)

\$9,000,000 in excess of \$1,000,000 each occurrence and amounts of up to \$9,000,000 in excess \$1,000,000 annual aggregate.

Casualty Catastrophe Excess of Loss (clash cover)

100% Authorized

Limit of \$1,000,000 excess of \$1,000,000 ultimate net loss each occurrence.

The reinsurer's liability is limited to \$1,000,000 in any one occurrence and is limited to \$3,000,000 in respect of all losses in any one contract period.

The Reciprocal's retention increased from \$100,000 to \$250,000, on non-umbrella casualty and its limits increased from \$50,000,000 to \$125,000,000 compared with the prior examination period. The percentage of cessions to authorized reinsurers has remained the same compared with the prior examination period.

Unauthorized Reinsurance

The trust agreements and letters of credit obtained by the Reciprocal in order to take credit for cessions made to unauthorized reinsurers were reviewed for compliance with Department Regulations 114 and 133, respectively. No exceptions were noted.

D. Abandoned Property Law

Section 1316 of the New York Abandoned Property Law provides that amounts payable to a resident of this state from a policy of insurance, if unclaimed for three years, shall be deemed to be abandoned property. Such abandoned property shall be reported to the comptroller on or before the first day of April each year. Such filing is required of all insurers regardless of whether or not they have any abandoned property to report.

The Company's abandoned property reports for the period of this examination were not filed pursuant to the provisions of Section 1316 of the New York Abandoned Property Law.

It is recommended that the Reciprocal comply with the provisions of the New York Abandoned Property Law and file the abandoned property reports accordingly.

E. Significant Operating Ratios

The following ratios have been computed as of December 31, 2003, based upon the results of this examination:

Net premiums written in 2003 to surplus as regards policyholders	185%
Liabilities to liquid assets (cash and invested assets less investment in affiliates)	84%
Premiums in course of collection to surplus as regards policyholders	42%

All of the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners except for the Premiums in course of collection to surplus as regards policyholders ratio which barely exceeded the benchmark ratio of 40%.

The underwriting ratios presented below are on an earned/incurred basis and encompass the four-year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Losses and loss adjustment expenses incurred	<u>\$44,603,347</u>	74.93%
Other underwriting expenses incurred	18,598,926	31.24
Net underwriting loss	<u>(3,676,185)</u>	<u>(6.18)</u>
Premiums earned	<u>\$59,526,088</u>	<u>100.00%</u>

F. Accounts and Records

A review of the Company's custodian and safekeeping agreement indicated that it lacked the following protective covenants, which are evident of good business practices and adequate internal control as stated in the NAIC Financial Examiners Handbook Part 1 Section 1V H:

- a. That the national bank, state bank, or trust company, as custodian is obligated to indemnify the insurance company for any insurance company's loss of securities in the custodian's custody, except that, unless domiciliary state law, regulation or administrative action otherwise require a stricter standard (Section 2.b. sets forth an example of such a stricter standard), the bank or trust company shall not be so obligated to the extent that such loss was caused by other than the negligence or dishonesty of the custodian;
- b. If domiciliary state law, regulation or administrative action requires a stricter standard of liability for custodians of insurance company securities than that set forth in Section 2.a., then such stricter standard shall apply. An example of a stricter standard that may be used is that the custodian is obligated to indemnify the insurance company for any loss of securities of the insurance company in the custodian's custody occasioned by the negligence or dishonesty of the custodian's officers or employees, or burglary, robbery, holdup, theft, or mysterious disappearance, including loss by damage or destruction;
- c. That in the event of a loss of the securities for which the custodian is obligated to indemnify the insurance company, the securities shall be promptly replaced or the value of the securities and the value of any loss of rights or privileges resulting from said loss of securities shall be promptly replaced;
- d. That the national bank, state bank or trust company as custodian shall not be liable for any failure to take any action required to be taken hereunder in the event and to the extent that the taking of such action is prevented or delayed by war (whether declared or not and including existing wars), revolution, insurrection, riot, civil commotion, act of God, accident, fire, explosions, stoppage of labor, strikes or other differences with employees,

laws, regulations, orders or other acts of any governmental authority, or any other cause whatever beyond its reasonable control;

- e. That in the event that the custodian gains entry in a clearing corporation through an agent, there should be a written agreement between the custodian and the agent that the agent shall be subjected to the same liability for loss of securities as the custodian. If the agent is governed by laws that differ from the regulation of the custodian, the Commissioner of Insurance of the state of domicile may accept a standard of liability applicable to the agent that is different from the standard liability;
- f. That if the custodial agreement has been terminated or if 100 percent of the account assets in any one custody account have been withdrawn, the custodian shall provide written notification, within three business days of termination or withdrawal, to the insurer's domiciliary commissioner;
- g. That during regular business hours, and upon reasonable notice, an officer or employee of the insurance company, an independent accountant selected by the insurance company and a representative of an appropriate regulatory body shall be entitled to examine, on the premises of the custodian, its records relating to securities, if the custodian is given written instructions to that effect from an authorized officer of the insurance company;
- h. The custodian and its agents, upon reasonable request, shall be required to send all reports which they receive from a clearing corporation or the Federal Reserve book-entry system which the clearing corporation or the Federal Reserve permits to be redistributed and reports prepared by the custodian's outside auditors, to the insurance company on their respective systems of internal control;
- i. To the extent that certain information maintained by the custodian is relied upon by the insurance company in preparation of its annual statement and supporting schedules, the custodian agrees to maintain records sufficient to determine and verify such information.
- j. That the custodian shall provide, upon written request from a regulator or an authorized officer of the insurance company, the appropriate affidavits, with respect to the insurance company's securities held by the custodian;
- k. That the custodian shall secure and maintain insurance protection in an adequate amount;
- l. That the foreign bank acting as a custodian, or a United States ("U.S.") custodian's foreign agent, or a foreign clearing corporation is only holding foreign securities or securities required by the foreign country in order for the insurer to do business in that country. A U.S. custodian must hold all other securities."

It is recommended that the Reciprocal amend its custodial agreement to include the aforementioned provisions in order to afford its assets the necessary safeguards and protections.

3. FINANCIAL STATEMENTS

A Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as determined by this examination as of December 31, 2003:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$39,939,351	\$0	\$39,939,351
Cash, cash equivalents and short-term investments	6,947,656	0	6,947,656
Investment income due and accrued	492,670	0	492,670
Uncollected premiums and agents' balances in the course of collection	5,985,392	0	5,985,392
Amounts recoverable from reinsurers	614,673		614,673
Fees and recoverables	<u>131,362</u>	<u>0</u>	<u>131,362</u>
Total Assets	<u>\$54,111,104</u>	<u>\$0</u>	<u>\$54,111,104</u>

Liabilities

Losses		\$14,509,909
Loss adjustment expenses		13,172,895
Other expenses (excluding taxes, licenses and fees)		53,250
Unearned premiums		8,820,577
Ceded reinsurance premiums payable (net of ceding commissions)		2,617,955
Provision for reinsurance		2,200
Allowance for uncollectible reinsurance		600,000
Losses payable		<u>(8,771)</u>
Total liabilities		\$39,768,015

Surplus and Other Funds

Gross paid in and contributed surplus	\$ 6,887,139	
Unassigned funds (surplus)	<u>7,455,950</u>	
Surplus as regards policyholders		<u>14,343,089</u>
Total liabilities and surplus and other funds		<u>\$54,111,104</u>

NOTE: The Reciprocal is exempt from federal, state and local income taxes.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders increased \$7,011,852 during the four-year examination period January 1, 2000 through December 31, 2003, detailed as follows:

<u>Underwriting Income</u>		
Premiums earned		\$59,526,088
Deductions:		
Losses incurred	\$21,575,884	
Loss adjustment expenses incurred	22,427,463	
Other underwriting expenses incurred	18,554,645	
Aggregate write-ins for underwriting deductions	<u>44,281</u>	
Total underwriting deductions		<u>62,602,273</u>
Net underwriting gain or (loss)		\$(3,676,185)
 <u>Investment Income</u>		
Net investment income earned	\$ 5,771,231	
Net realized capital gains (losses)	<u>(61,700)</u>	
Net investment gains		5,709,531
 <u>Other Income</u>		
Aggregate write-ins for miscellaneous income	<u>\$ 233,657</u>	
Total other income		<u>233,657</u>
Net Income		<u>\$2,267,003</u>

Capital and Surplus Account

Surplus as regards policyholders per report on examination as of December 31,1999			\$ 7,331,237
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	\$2,267,003		
Change in non-admitted assets	53,992		
Change in provision for reinsurance		\$ 2,200	
Surplus (contributed to) withdrawn from protected cells	183,000		
Cumulative effect of changes in accounting principles	1,102,000		
Surplus adjustments paid in	3,166,093		
Write-off of deductibles		1,407	
Adjustment to payables	<u>243,371</u>	<u> </u>	
Total gains and losses	<u>\$7,015,459</u>	<u>\$3,607</u>	
Net increase (decrease) in surplus			<u>7,011,852</u>
Surplus as regards policyholders per report on examination as of December 31, 2003			<u>\$14,343,089</u>

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of \$27,682,804 is the same as reported by the Reciprocal as of December 31, 2003. The examination analysis was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Reciprocal's internal records and in its filed annual statements.

5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained ten recommendations as follows (page numbers refer to the prior report):

<u>ITEM</u>	<u>PAGE NO.</u>
<p>A. <u>Management</u></p> <p>It was recommended that the Reciprocal take the necessary steps to amend its management agreement with Wright Risk Management to provide more precise wording in regard to Wright Risk's responsibility for running off both known and incurred but not reported claims.</p> <p>The Reciprocal has complied with this recommendation</p>	<p>9</p>
<p>B. <u>Territory and Plan of Operations</u></p> <p>It was recommended that the Reciprocal comply with the prior report on examination recommendation in that the Reciprocal should refrain from collecting premiums on behalf of other insurers and devise an alternative method of enabling its policyholders to obtain fidelity and surety, and inland marine(earthquake) insurance coverages.</p> <p>The Reciprocal has complied with this recommendation</p>	<p>10-11</p>
<p>C. <u>Reinsurance</u></p> <p>It was recommended that the Reciprocal amend its first casualty excess of loss and casualty excess of loss agreement to include the appropriate offset language pursuant to Section 7427 of the New York Insurance Law.</p>	<p>11</p>

<u>ITEM</u>		<u>PAGE NO.</u>
ii	It is also recommended that the Reciprocal comply with Regulation 30, Part 107.4(e) (1) and provide proper supporting documentation for its expense allocation.	19

The Reciprocal has complied with this recommendation.

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>		<u>PAGE NO.</u>
A.	<u>Reinsurance</u>	
	It is recommended that in the future the Reciprocal comply with Statement of Statutory Accounting Principles No. 62 (the successor to Chapter 22 of the National Association of Insurance Commissioners Accounting Practices and Procedures Manual) and ensure that its reinsurance contracts are signed with in the period specified.	8
B.	<u>Abandoned Property Law</u>	
	It is recommended that the Reciprocal comply with the New York Abandoned Property Law and file the required reports.	12
C.	<u>Accounts and Records</u>	
	It is recommended that the Reciprocal amend its custodial agreement to include the provisions as provided in Section 2F of this report in order to afford its assets the necessary safeguards and protections.	14

Appointment No. 22215

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, GREGORY V. SERIO, Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:

Robert Vargas

as proper person to examine into the affairs of the

NEW YORK MUNICIPAL INSURANCE RECIPROCAL

and to make a report to me in writing of the condition of the said


Reciprocal

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by the name and affixed the official Seal of this Department, at the City of New York,

this 23rd day of April, 2004




GREGORY V. SERIO
Superintendent of Insurance