



# Department of Financial Services

**KATHY HOCHUL**  
Governor

**ADRIENNE A. HARRIS**  
Superintendent

**Date:** January 27, 2022

**To:** All Domestic Property/Casualty Insurers Subject to Examination in 2022

**From:** Field Examinations Unit, Property Bureau

**Re:** First Day Letter; Examination Facilitation Request

Your Company is scheduled for an examination in the year 2022. The examination will be conducted as of December 31, 2021 and cover the time period from the last examination through December 31, 2021. Events subsequent to the “as of date” of the examination may be reviewed where deemed appropriate.

An examiner-in-charge (EIC) will be assigned to your Company and will contact you prior to the start of the examination.

### Risk-Focused Examination

The examination of your Company will be conducted as a risk-focused examination in accordance with the NAIC Financial Examiners’ Handbook. This examination approach places emphasis on understanding your Company’s risks and exposures and methods of mitigating such risks.

The risk-focused approach requires that the examiner interview senior management of the Company to obtain an understanding of the organization, its structure, key activities and processes, etc. The examination team will conduct C-level interviews with some or all of the following:

Chief Executive Officer / President	Chief Information Officer
Member of Audit Committee	Chief Underwriting Officer
Chief Financial Officer/ Controller	Claims Manager/Chief Claims Officer
General Counsel	Director of Internal Audit
Chief Investment Officer	Enterprise Risk Manager/Chief Risk Management Officer
Chief Valuation Actuary	CPA Engagement Partner & Manager
Board Member	

An agenda will be provided to the participants prior to each meeting. In addition, the Department's actuary will be contacting the Company to arrange an Actuarial Kick-off Meeting with the Company's Chief Actuarial Officer to be held in the Department's New York City office.

Documents Requested to Assist in Examination Planning:

Financial Reporting Planning Material

- 1) CPA Reports, Engagement Letters, and Management Letters (including Company responses) for all years under examination;
- 2) Access to Sarbanes Oxley Documentation (Sections 302 and 404), if applicable;
- 3) CPA Partner & Manager contact information and access to CPA workpapers for the examination year 2021 (when available);
- 4) Listing of Internal Audit reports for the examination period;
- 5) Any SSAE 16 Reports received from third party vendors regarding internal controls;
- 6) Trial balance, and chart of accounts in electronic/Excel format as of the examination year 2021 (when available);
- 7) Annual Reports and/or 10K Reports for the examination year 2021, if applicable;
- 8) Actuarial report underlying the opinion as of the examination year 2021 (when available);
- 9) Custodian agreements covering the custody or safekeeping of the Company's securities in effect as of the examination year 2021;
- 10) Copies of presentations made to Rating Agencies such as Standard and Poor's, Moody's, Fitch, Bests, etc., if applicable.

Corporate Governance Planning Material

- 11) A listing, as of the examination date, of directors indicating name, address (city and state), principal business affiliation (title/position and name of company), and year first elected to the board;
- 12) A copy of the most current charter and by-laws, amendments to such during the period under review and approval letters from the Department for each amendment;
- 13) Minutes of the meetings of the board of directors and all committees thereof covering the period from the start of the examination through the present day. (Please note that certain attachments and reports reviewed for specific board/committee meetings will be requested at a later time during the exam.);
- 14) A statement signed by each director confirming that they have received and read the prior report on examination as required by Section 312(b) of the NYIL;
- 15) A summary of actions taken by the Company in response to each of the recommendations contained in the prior report on examination;
- 16) Listing of senior officers and their positions at year-end 2021;
- 17) Listing of principal shareholders of the Company (5% or more) and respective percentage of ownership (if applicable) at year-end 2021;

- 18) The conflict of interest statements completed by officers, directors and employees for the examination year;
- 19) The Company's list of pending litigation;
- 20) List of all affiliated/related party agreements, including service agreements in effect during the examination year. Include Departmental correspondence and approval letters for agreements;
- 21) Listing of all management, MGA and TPA agreements in effect during the examination period related to marketing, customer service, underwriting or claims;
- 22) The Company's most current three-year business plan;

Reinsurance Planning Material

- 23) Summary of ceded reinsurance program as of the examination year. Full contract wording and underwriting files should be available upon request;
- 24) A listing of letters of credit and trust agreements offsetting the provision for reinsurance as of the examination year as well as a listing of the contracts associated with these trusts and letters of credit;
- 25) Department approval letters for any reinsurance agreements with affiliates;

Additional Items

- 26) Copy of all state licenses in effect as of the examination year;
- 27) A written description of the Company's distribution system(s) (i.e., structure of sales force, number of various types of agents or brokers for the exam year);
- 28) A listing of all in-force insurance policies protecting the Company against losses from hazards, as well as its errors and omissions insurance policies and fidelity bond.

If the Company wishes to have certain records it furnishes to the Department for the purpose of the examination withheld from disclosure pursuant to New York Public Officers Law section 87(2)(d), you must submit that request for an exemption to the Department in writing, prior to or on the commencement date of the examination.

Thank you.

Very truly yours,

Roving Examination Supervisor / Examiner-in-Charge  
Field Examinations Unit  
Property Bureau