

January 21, 1976

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 2 (1976)

Date January 21, 1976

TO: ALL INSURERS AUTHORIZED TO WRITE FIRE AND CASUALTY INSURANCE IN NEW YORK STATE

SUBJECT: INSTALLMENT POLICIES

In regard to financial statement reporting of annual installment premiums on term policies, the rule previously cited in a Circular Letter (unnumbered) dated June 26, 1951, is hereby rescinded and the following is substituted:

For all term policies written or renewed on an annual installment basis, premium writings may be reported in annual and quarterly statements filed with this Department by including in "premiums written" the total premiums (including finance charges, if any) charged during the statement period so that future installments need not be entered until the year in which they become due.

The allowable asset for uncollected premiums will be limited to installments entered as due from the insureds (less commissions thereon) not over ninety days due at the statement date. If any installment on any policy has been due and unpaid for more than ninety days as of the statement date, no unpaid installment entered and still outstanding on such policy shall be allowed as an admitted asset.

The unearned premium reserve as of the statement date should reflect the appropriate unearned portions of such unexpired premium installments (before commissions) entered and charged the assured, and the in-force should include all unexpired installments entered on policies in-force at that date.

[SIGNATURE]

THOMAS A. HARNETT

Superintendent of Insurance