

April 10, 1984

SUBJECT: INSURANCE

WITHDRAWN

CIRCULAR LETTER 9 (1984)

April 10, 1984

TO: ALL SPECIAL RISK INSURERS LICENSED PURSUANT TO SECTION 168-d OF THE INSURANCE LAW

SUBJECT: SPECIAL RISK INSURANCE

Pursuant to the provisions of Section 168-d of the New York Insurance Law and Regulation 86, as amended, the Department maintains a list of risks known as Class Two in the Special Risk Section of the Property Companies Bureau. Since the original list was promulgated the following classifications have been added thereto:

Statistical

Code	Classification
2-14161	Reinsurance Intermediaries Errors and Omissions
2-29002	Long Term Disability Benefits for Air Traffic Controllers
2-14162	Excess Medical Malpractice for Individual Physicians in New York
2-14163	Travelers Checks Distributors Errors and Omissions
2-14164	Excess and Surplus Lines Brokers Errors and Omissions
2-14165	Animal Liability
2-14166	Fiduciary Liability Coverage (Limited only to risks located outside of New York with fudiciary residing or contracting

Statistical Code	Classification in New York)
2-14167	Part Time Physicians Malpractice
2-10012	Livestock - Infertility
2-10013	Livestock - Barrenness
2-10014	Livestock - Prospective Foal Coverage
2-10015	Livestock - Twin Coverage
2-14168	Political Action Committee Liability - Officers & Directors
2-14169	Fire Department Errors & Omissions
2-14170	Medical Arts Schools and Colleges
2-14171	Psychotherapists - Excluding Psychiatrists
2-14172	Insurance Syndicate Managers Errors and Omissions
2-14173	Neighborhood Medical Clinics
2-02048	Municipal Lease - Insurance Other than Real Property
2-14174	Joint Hospital and Attending Physicians Excess Professional Liability Insurance (meeting the nine criteria)
2-14175	Associated Person (Licensed by Commodity Futures Trading Commission)

In the belief that the following two classifications were being used inappropriately they have been redefined on the Department Class Two list as follows:

a) Category 2-23007 - Retitled - "Commerical Automobile Physical Damage - All Risk Coverage" - This coverage may be written on commercial vehicles, providing such coverage includes payment for items which are not covered in the STANDARD AUTOMOBILE insurance contract such as mechanical repair and rental car expense. A reward of not less than \$ 500 must be provided for any information which leads to the arrest and conviction of a thief or vandal who has damaged the insured vehicle.

b) Category 2-27003 "Deductible Clause Variations"

This classification may be written on property risks insured for a million dollars or more, with singular exposure to a particular peril or at a particular location if the insured is willing to retain some of the primary exposure through use of a special Deductible Clause. This might take the form of an aggregate or cumulative Deductible Clause applying over and above the initial deductible. Or, where multiple exposures are involved the Deductible provision might be "split", applying with greater force at the most hazardous location or against the most significant peril. The term "variations" refers to the terms of the Decuctible Clause rather than the amount.

Insurers should be aware that they can no longer write new policies under the above classifications which do not comply with the foregoing. They should also be aware that policies now in effect can be allowed to continue to the next annual renewal date but that renewals should conform to the new definitions.

Please acknowledge receipt of this letter within fifteen (15) days of its date to:

Maurice D. Cohen, CFE
Supervising Insurance Examiner
Special Risk Section
Property Companies Bureau
Two World Trade Center
New York, NY 10047

Very truly yours,

[SIGNATURE]

James P. Corcoran

Superintendent of Insurance