

July 9, 1985

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 11 (1985)

TO: CHIEF EXECUTIVE & OPERATING OFFICERS OF ALL INSURERS AUTHORIZED TO WRITE GENERAL LIABILITY INSURANCE IN NEW YORK STATE

RE: MARKET ASSISTANCE PROGRAM FOR MUNICIPALITIES

In light of prevailing market conditions, a Market Assistance Program (MAP) for municipalities and other political subdivisions in New York State has been re-activated. As long as there is a demonstrated need for this service, MAP will continue.

Both availability and affordability of liability coverages for municipalities and other political subdivisions in this State must be growing areas of concern, not only for the Insurance Department, but for the insurance industry as a whole.

Notwithstanding open competition due to the file and use rating system, an increasing number of reports from all parts of this State have been received, and confirmed, by the Insurance Department that property/casualty insurers have been cancelling coverage, refusing to quote, or quoting premium increases that several-fold exceed previous levels.

This MAP mechanism represents a voluntary effort, facilitated by the Insurance Department, on the part of property/casualty insurance companies, and their agents and brokers, to assist a municipality or other political subdivision, which has encountered difficulty in obtaining liability insurance or package policies that include liability insurance, to obtain such insurance in the voluntary marketplace.

In order to determine the nature and scope of the availability and affordability problems confronting municipalities and other political subdivisions in this State, please furnish, no later than twenty (20) days after the date of this letter and pursuant to Section 308 of the Insurance Law in regard to special reports:

- (a) an itemized list of every municipality or other political subdivision in New York that is currently covered under any policy issued by your company that includes liability insurance, together with a description of the past length and future duration, the types and extent, and the premium and premium increases, of such coverage in each such case;
- (b) an itemized list of every municipality or other political subdivision that, within the current calendar year, has approached your company, directly or indirectly through agents or brokers, seeking liability coverage of any kind, together with your specific response and the particular reasons for that response, in each case where your company did not issue, or cancelled, a policy that includes liability insurance; and
- (c) the name, address and telephone number of the person, with requisite authority, in your company to be contacted with regard to possible placement of insurance under this MAP mechanism.

(d) any approach your company has in place or can develop to address the concerns of availability and affordability of liability coverages for municipalities and other political subdivisions in this State.

Please send this information to the attention of:

Mr. Henry L. Lauer
Chief Insurance Examiner
Property and Casualty Insurance Bureau
New York State Insurance Department
160 West Broadway
New York, New York 10013

Please contact Mr. Lauer (212-602-0387) if you have any questions.

Although by no means a complete answer to the complex problems facing municipalities and other political subdivisions, this MAP effort is essential, and your company's, involvement in MAP critical. Therefore, we urge all companies licensed in this State that are authorized to write this line of business to cooperate fully and participate actively in this MAP effort, the efficacy of which will depend on extensive, intensive involvement by responsible property/casualty insurers doing business in New York.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance