

September 5, 1990

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 9 (1990)

To: All Property/Casualty Insurance Companies and Reciprocal Insurers

Re: Workers' Compensation Security Fund

Chapter 440 of the Laws of 1990, which amends Article 6-A of the Workers' Compensation Law, consolidated the Stock Workers' Compensation Security Fund and the Mutual Workers' Compensation Security Fund into a single fund to be known as the Workers' Compensation Security Fund. This consolidation became effective on March 1, 1990.

Section 108 of Article 6-A provides that for the privilege of carrying on the business of workers compensation insurance in this state, every carrier shall pay into the fund, on a quarterly basis, a sum equal to one percent of its net written premiums, less the amount of dividends paid to policyholders, as shown on the quarterly report return form required to be filed by Section 108 of Article 6-A.. Section 108 also provides that for three month periods beginning April 1, 1990 and ending March 31, 1995, however, stock carriers shall make payments at the rate of seven-eighths of one percent and mutual carriers and reciprocal insurers at the rate of one and one-quarter percent.

Chapter 440 provides for the mandatory recoupment of the foregoing payments by way of a surcharge on premiums charged for insurance policies to which Section 108 applies. Subdivisions 4, 5 and 6 of such section prescribe the manner in which such recoupment is to be made.

Section 109.1 also provides that when as of the end of any quarterly period the superintendent determines that the amount of assets in the Workers' Compensation Security Fund equals or exceeds seventy-four million dollars, no further payment under Section 108 shall be required to be made after that quarterly period. Whenever as of any subsequent quarterly period, however, the amount of such assets is less than seventy-four million dollars, payments shall be resumed at the beginning of the next quarter.

The amount of assets in the Workers' Compensation Security Fund on March 31, 1990 exceeded seventy-four million dollars. Therefore, the payments prescribed for by Section 108 are suspended for all carriers. Mutual and reciprocal carriers, however, are required pursuant to Section 109.2 to pay a surcharge into the fund.

New subdivision 2 of Section 109 of Article 6-A provides that for each of the three month periods beginning April 1, 1990 and ending March 31, 1995 every mutual and every reciprocal carrier shall pay into the Workers' Compensation Security Fund a surcharge equal to one percent of its net written premiums, less the amount of dividends paid to policyholders for the period. Such surcharge shall be in addition to any payments required to be made pursuant to the provisions of Section 108.

Enclosed are copies of the return form to be used by mutual and reciprocal carriers in submitting payment of the Section 109 surcharge. The first surcharge payment is now due for the quarter that ended June 30, 1990. No penalty will be imposed under Section 109-a for late payment if the payment is received on or before September 15, 1990.

Payments submitted in accordance with former Section 109-e (repealed by chapter 440) of the Workers' Compensation Law for the quarter ending June 30, 1990 will be applied as the surcharge payment due. An amended return need not be filed

Further supplements to this Circular Letter will be issued as the need arises.

Please acknowledge receipt of this letter, and refer any questions relating to its contents to:

Mr. Frank D'Amico

Director of Taxes and Accounts

State of New York Insurance Department

Empire State Plaza

Agency Building One

Albany, New York 12257

Very truly yours,

[SIGNATURE]

Salvatore R. Curiale

Superintendent of Insurance

Form TA-1

RETURN TO BE MAILED TO

Superintendent of Insurance  
State of New York Insurance Dept.  
Agency Building One  
Governor Nelson A. Rockefeller  
Empire State Plaza  
Albany, New York 12257

RETURNS FOR THE THREE MONTHS' PERIOD

Ending March 31st due May 15th

Ending June 30th due Aug. 15th

Ending Sept. 30th due Nov. 15th

Ending Dec. 31st due Feb. 15th

An error occurred in the processing of a table at this point in the document. Please refer to the table in the online document.