



STATE OF NEW YORK  
INSURANCE DEPARTMENT  
160 WEST BROADWAY  
NEW YORK, NEW YORK 10013

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**Supplement 7**  
**Circular Letter No. 3 (1986)**  
**April 1, 1997**

**To: Underwriting Manager**

**Of: All Licensed Property/Casualty Insurance Companies**

**Also: Insurance Producer Organizations**

**Re: 1997 INSURANCE AVAILABILITY SURVEY**

The Second Supplement to Department Circular Letter No. 3 (1986), dated August 15, 1989, advised that pursuant to Section 308 of the Insurance Law, the Department had established an availability survey as a mechanism for the annual appraisal of insurance market conditions and trends. Accordingly, this Department mails updated survey forms to insurers and producer organizations annually.

The purpose of this Supplement is to provide the 1997 Insurance Availability Survey packet. The survey uses Optical Character Recognition (OCR) technology and a mainframe database to capture and utilize data.

For those types of risks/coverages which lend themselves to commercial and personal lines underwriting, responses may be given reflecting your writings on both bases.

Revised survey forms representing the 1997 survey, including instructions and sample forms are included herewith. Respondents' strict compliance with the instructions attached hereto will assist in the unencumbered processing of responses. Survey responses should be accurately completed in accordance with the instructions and returned **no later than May 30, 1997** to the attention of:

Bruce L. Ascher -- (212-602-0369)  
Associate Insurance Examiner  
Property/Casualty Bureau  
New York State Insurance Department  
160 West Broadway -- 13th Floor  
New York, New York 10013

**To report suspected insurance fraud, call the NYS Insurance Department's Frauds Hotline at 888-FRAUD-NY**

Please note for future years that the Department will distribute a survey packet similar to this year's material. Insurers are not required to submit data prior to receiving such material.

Producer organizations are asked to advise members of the survey and inform the Department of admitted markets. It should also be noted that we are no longer requesting responses regarding reinsurance.

Industry cooperation has been the key to the Department's efforts to cultivate and maintain stability in the commercial insurance marketplace. In the past, responses have proven to be of great value in helping insureds find coverage appropriate to their needs. Survey information has also been a helpful tool in the Department's analysis of conditions of an ever-changing insurance marketplace. When survey results have evidenced constricted conditions for types of coverage and/or types of risks, the Department has been able to help develop availability by working with insurers and producer organizations.

The continued cooperation of the industry in furnishing timely and accurate responses is essential to the success of this endeavor and is appreciated by the Department and the people of New York.

Very truly yours,

Stewart Keir, CPCU, CFE, CIE  
Assistant Deputy Superintendent and Chief  
Property/Casualty Bureau

[ATTACHMENT]

**STATE INSURANCE DEPARTMENT  
1997 INSURANCE AVAILABILITY SURVEY**

**INSTRUCTIONS**

The Insurance Availability Survey has been formatted to facilitate data entry via Optical Character Recognition (OCR) technology and data capture which will enable the Department to analyze market trends and developments more efficiently and thoroughly.

**A. REPORTING FORMAT**

As part of this packet enclosed is a Coverage Reporting Workbook. Respondents should use the workbook to gather information needed to respond to the survey. After completing the workbook, the survey response must be prepared on blank paper for submission to the Department. The response will consist of a heading (repeated on all sheets necessary), a list of companies, a list of contact persons and a list of the coverage reporting information.

In order to use OCR technology to process the Insurance Availability Survey, responses must conform to the following general requirements:

- Survey responses must be typed or prepared by word processor. Hand written responses cannot be scanned.

The orientation of each page of your response must be portrait.

- Responses should be on only one side of each sheet.
- Formatting should allow for a one inch margin from the edge of all sides.
- Only non-proportional fonts such as Courier, Letter Gothic and Ventura are acceptable. These fonts will print characters in equal columns regardless of the width of the characters. The font used should be either 10 or 12 pitch.
- Line spacing should be 6 lines per inch.
- Any part of a response that touches a line or column will impair the integrity of the response. Therefore, while responses for each type of coverage and risk must be submitted in columnar fashion, **DO NOT** create lines or columns on the survey response.
- Only original responses should be submitted; copies are not acceptable.

## **B. COVERAGE REPORTING WORKBOOK**

Respondents should use the workbook to gather information needed to respond to the survey. For each risk/coverage coordinate that you provide a market, enter your coded response as described below. The workbook entries may be handwritten or typed. After completing the workbook, the survey response should be prepared on blank paper for submission to the Department. The workbook should not be submitted to the Department.

Workbook entries will consist of the following information:

### **1. LINE CODE**

The line code is the two digit number, which precedes the type of coverage, in the column headed "Line Code", e.g., "01" is the line code for automobile liability.

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### **2. RISK CODE**

The code for the type of risk which is indicated in the box at the top of the column, e.g., "8322-001" is the code for Adult Day Care

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The type of risk codes were developed based upon the Standard Industrial Classification Codes (SIC) published by the Executive Office of the President, Office of Management and Budget.

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### **3. ACTIVITY CODE**

The code indicating the company's position in underwriting the type of coverage/risk. For the purposes of this survey

the codes to be used are "A", "C", "S", "U" and "Z". These codes are defined as follows:

**3. ACTIVITY CODE** The code indicating the company's position in underwriting the type of coverage/risk. For the purposes of this survey the codes to be used are "A", "C", "S", "U" and "Z". These codes are defined as follows:

**A** The company actively provides a market within its regular scope of business or has a specialty program developed for the type of coverage/risk.

**C** The company will only provide coverage, as an accommodation, to an account already insured by the company for some other type of coverage.

**S** The company selectively provides a market, subject to strict underwriting criteria or only provides a limited market for the type of coverage/risk.

**U** The company provides a market for the type of coverage/risk in the excess and surplus market pursuant to the provisions of Regulation 41.

**Z** The company provides a market for the type of coverage/risk in the Free Trade Zone pursuant to the provisions of Regulation 86.

**4. CONTACT CODE** The code(s) for the contact person(s). Paragraph 4 of Section C. LAYOUT OF SUBMISSIONS, below on page IV, explains how you are to develop these codes. A maximum of two contact persons may be indicated for each entry.

**For each type of coverage/risk for which you provide a market, insert in the appropriate row/column of the matrix, the activity and contact codes after the line and risk codes which have been preprinted. In entering the codes the preprinted line and risk codes have been separated by a space; hyphens should separate the risk, activity and contact codes.**

**5. SUMMARY AND SAMPLE ENTRY**

The following format should be used to enter each coverage reporting item:

**LINE CODE(SPACE)RISK CODE(HYPHEN)ACTIVITY CODE(HYPHEN)CONTACT CODE(HYPHEN)CONTACT CODE**

The elements of the response should be separated with a blank space or hyphen as indicated above. Please note that the line and risk codes have been preprinted on the workbook pages.

The following sample response indicates that the company provides an active market for general liability coverage for Adult Day Care providers and that the contact persons were the first and third persons listed on the response. (Note that large type is used here for illustrative purposes only.)

**03 8322-001-A-01-03**

**C. LAYOUT OF SUBMISSIONS**

1. Once the Coverage Reporting Workbook has been completed, your submission should be prepared, on blank paper, in accordance with the instructions herein and the attached samples. The submission is made up of three sections although no division is necessary between the sections. The submission, except for the heading, is a continuing flow of double spaced lines as illustrated in the attached samples.

**2. HEADING**

Each page should have a heading formatted as follows: The first line should read "New York State Insurance

Department". The second line should read "1997 Insurance Availability Survey". The third line should indicate the NAIC number and name of the company making the submission. In the case of groups or fleets this should be the lead company.

### **3. COMPANY NAMES**

(a) List the companies for which the responses are intended to apply. For a group, the lead company should be listed first. This is in addition to the listing of the company name in the heading.

(b) Each Company Name should be listed in the following format:

(i) Begin the line with a "C" to identify the line as a Company Name line.

(ii) Skip at least one space and enter the Insurance Company's NAIC Code. Those companies having a four digit prefix should enter the prefix and the five digit NAIC Code separated by a hyphen (no blank spaces).

(iii) Skip at least one space and enter the Company Name. (iv) Sample Entry: (Note that large type is used here for illustrative purposes only.)

**C 123-45678 All Ways Insurance Company**

(c) Companies not writing any of the types of coverages or risks listed in the survey, should type the word "NONE" in bold type on the line following the last company name listed. This will complete their submission. (See sample attached)

(d) Excess Line brokers responding should indicate the companies providing the applicable markets.

### **4. CONTACT PERSONS**

(a) List the names and telephone numbers (800 number if available) of contacts for the types of coverage and risks for which the company provides markets.

(b) The contact persons should be familiar with the insurer's underwriting guidelines for the indicated coverages/risks, and should have some decision-making authority in determining the insurability of risks.

(c) Each contact should be listed in the following format:

(i) Begin the line with a "P" to identify a contact person name line.

(ii) Skip a space and then enter a sequential number identification, beginning with "01", which will be used as part of the coverage reporting responses. This number must be a two digit number.

(iii) Skip a space and then enter the name of the contact person.

(iv) Skip a space and then enter the area code and telephone number of the contact person. Use hyphens to separate the area code, telephone exchange and number; for example, "123-456-7890" (not (123) 456-7890).

(v) Sample Entry (Note that large type is used here for illustrative purposes only.)

**P 01 Bruce Marketman 212-123-4567**

### **5. COVERAGE REPORTING**

(a) List the coded responses that have been entered in the Coverage Reporting Workbook in the format

described above. Please note that where two activity codes apply to a response two separate responses should be listed. However, for any individual response only one of the following codes may be indicated: A, C or S

(b) Sample Entry (Note that large type is used here for illustrative purposes only.)

**03 8322-001-A-01-03**

### **C. COMPLETED FORMS**

All completed surveys should be returned by the date requested with a cover letter indicating the name, title and telephone number of the person to be contacted if questions arise regarding the completeness or accuracy of the submission.

### **D. SAMPLE FORMS**

The following four pages contain samples of:

- a completed Coverage Reporting Workbook page,
- a submission based upon the data contained therein (two pages)
- and a submission for a group of insurers that do not provide markets for any of the types of risks/coverages contained in the survey.