



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

**Circular Letter No. 32 (1999)
November 22, 1999**

TO: All licensed life insurers, accredited life reinsurers, property/casualty insurers, co-operative property/casualty insurers, financial guaranty insurers, mortgage guaranty insurers, reciprocal insurers, accident and health insurers, Article 43 Corporations, Public Health Law Article 44 health maintenance organizations, title insurers, the State Insurance Fund, the Medical Malpractice Insurance Association and accredited property/casualty reinsurers, rate service organizations, municipal cooperative health benefit plans, and integrated delivery systems; all hereinafter referred to as "insurers".

RE: Post Year 2000 Reporting Requirements and Performing Data Archives

The purpose of this Circular Letter is to advise insurers of new post Year 2000 reporting requirements and to remind insurers of the need to perform back-ups of critical computer data files.

Post Year 2000 Reporting Requirements

The Department seeks to gain an early assessment of the effects of the Year 2000 date change on insurance companies doing business in this state. Therefore, pursuant to Section 308 of the Insurance Law, every captioned insurer is required to file Year 2000 reports between December 31, 1999, and January 5, 2000, and subsequent periods as indicated by the guidelines below. The National Association of Insurance Commissioners ("NAIC") has been appointed as the Department's agent to facilitate the data collection efforts electronically. Reports are to be filed via the Internet in accordance with the following guidelines.

- A completed version of the enclosed report (Exhibit A) shall be filed at the designated location on the NAIC website address at www.naic.org.
- Completed reports shall be filed on the above NAIC website no later than 8:00 p.m. Eastern Standard Time on or before January 5, 2000 (but not before January 1, 2000), with subsequent updates to be filed on or before February 3 and April 5, 2000. The same report form should be used for all three filings; please indicate the applicable date with each filing in the space provided on the report form.
- Insurance companies that are members of a holding company with at least one other insurance company, or an insurance group, shall complete the enclosed survey on a group basis or on an individual entity basis.
- Insurance companies, which are *not* members of a holding company or an insurance group, shall complete the survey on an individual entity basis.

To the fullest extent permissible under law, confidential treatment based upon trade secret or substantial injury to the competitive position of the insurer, will be accorded to all reports submitted pursuant to this Circular Letter without the need for the submitting insurer to claim such exemption under the Freedom of Information Law. The information provided to the NAIC will be quickly analyzed, summarized and made available to this Department, and other insurance regulators, to aid in post Year 2000 review efforts. The information you submit to the NAIC will be kept confidential to the fullest extent permissible under law. Summary

Please complete the following chart with name(s) and NAIC company code(s) for all companies covered by this filing:

	<u>Insurer Name</u>	<u>NAIC Group or Co. Code</u>	<u>State of Domicile</u>
Group Name			N/A
Lead Insurance Co.1			
Affiliate # 1			
Affiliate # 2			
Affiliate # 3			
Affiliate # 4			
Affiliate # 5			
Affiliate # 6			
Affiliate # 7			
Affiliate # 8			

Instructions:

Purpose - This survey is intended to gather information about your companies' ability to do business during the first business days and months of the year 2000. In order to reduce the reporting burden on the industry during this critical period, this survey is intended to gather information on your group of companies, including specific companies where problems exist.

Filing Instructions -In accordance with state insurance department administrative directive(s), the response to this survey shall be filed with the NAIC no later than 8 p.m. Eastern Standard Time on Wednesday January 5, 2000. You are encouraged to report earlier than Jan. 5, if feasible. This same survey shall be subsequently filed on February 3 and April 5, 2000. Each response shall be prepared online at a designated Internet website. **It is critical that the website be used for all responses to this survey.** The Internet website can be located by referring to the NAIC homepage at <http://www.naic.org/>. Further instructions on locating and completing the survey form will be provided at the NAIC website. In the unexpected event that Internet communications are unavailable, responses to this survey may be sent via facsimile to the NAIC Financial Services Division at 816.460.7803.

General

- All members of the group (or the company if a single company filing) have resumed normal business operations as of the date of this filing.
True _____ False _____
- The group's (or the company's if a single company filing) century rollover plan has not caused any significant setbacks. For purposes of this question, significant setbacks include any unplanned interruptions to business processes, services to customers or unanticipated personnel resource allocations.
True _____ False _____
- The group's first business day of the year 2000 was:
1/3/2000 _____ 1/4/2000 _____ Other _____
- Regulators with questions regarding this survey response may direct their inquiries to:
Name _____ Facsimile _____
Title _____ E-mail address _____

Telephone _____

Please use the following codes to designate mission critical systems for completion of the remainder of this survey:

- Premiums (Code P)
- Claims (Code C)
- Investments (Code I)
- Reinsurance (Code R)
- Policyholder Services (Code S)
- Other (Code O)

Mission Critical Systems

5. In transaction processing (operational or test environment) subsequent to 12-31-1999, the group has not encountered significant problems with respect to mission critical systems (for purposes of this question, significant problems mean problems that will cause Year 2000 contingency processing plans to be implemented).
True _____ False _____

If False, please list below NAIC Company Codes and mission critical system codes where significant problems have been identified.

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

Please list below the names of "Other" mission critical systems identified as having significant problems.

1. _____ 2. _____
3. _____ 4. _____

Contingency Plans

6. It will not be necessary to implement any contingency or business continuity plans with respect to the continued operation of mission critical systems.
True _____ False _____

If False, contingency plans have been or are planned to be implemented with respect to the following mission critical systems:

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

Please list below the names of "Other" mission critical systems for which related contingency plans will be implemented.

1. _____ 2. _____
3. _____ 4. _____

7. If the answer to question No. 6 is False, respond to the following. The group has not experienced and does not anticipate experiencing significant problems implementing its contingency plans.
True _____ False _____ Don't Know _____

If False, problems have been encountered or are expected to be encountered with respect to contingency plans relating to the following mission critical systems:

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

Please list below the names of "Other" mission critical systems for which related contingency plans are experiencing or may experience problems.

1. _____ 2. _____
3. _____ 4. _____

Vendors, Service Providers, Etc.

8. With respect to vendors, service providers or other third parties (e.g. utilities, banks, telecommunications providers, hardware and software vendors, transfer agents, etc.), the group has not experienced and does not anticipate experiencing significant problems.

True _____ False _____ Don't Know _____

If False, problems have been encountered or are expected to be encountered with respect to vendors, service providers, or other third parties that affect the following mission critical systems:

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____
NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____
NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____
NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

Please list below the names of "Other" mission critical systems adversely affected by vendors, service providers or other third parties.

1. _____ 2. _____
3. _____ 4. _____

9. If the response to question No. 8 is False, respond to the following. Subsequent to 12/31/99, the group has contacted key vendors, service providers or other third parties to determine their readiness for business in 2000.

True _____ False _____

Business Partners

10. With respect to business partners that provide policyholder services (e.g., TPA's, MGA's, MGU's, agents, brokers, etc.), the group has not experienced and does not anticipate experiencing significant problems:

True _____ False _____ Don't Know _____

If False, problems have been encountered or are expected to be encountered with respect to business partners that provide policyholder services that affect the following mission critical systems:

NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____
NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____
NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____
NAIC Co. Code _____ System Code(s) _____, _____, _____, _____, _____, _____

Please list below the names of "Other" mission critical systems adversely affected by business partners.

1. _____ 2. _____
3. _____ 4. _____

11. If the response to question No. 10 is False, respond to the following. Subsequent to 12/31/99, the group has contacted key business partners that provide policyholder services to determine their readiness for business in 2000.

True _____ False _____

¹Lead Insurance Company – Means parent insurance company or, in instances where there is no parent insurance company, the largest insurance subsidiary in the group based on premium writings.