



NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

June 15, 2014

To the Governor and Legislature:

I am pleased to submit the 2013 Annual Report of the New York State Department of Financial Services, as required by Article 2, Section 207 of the Financial Services Law. Throughout 2013, the Department carried out its mission to protect consumers and to promote the development of sound, fair financial services. The Department's work is varied and is detailed in the report.

As its charter instructs, the Department has and will continue to work aggressively to foster the growth of a fair, robust financial services industry and to protect consumers.

I hope you find the report useful.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ben. Lawsky".

Benjamin M. Lawsky  
Superintendent



# Department of Financial Services

## Annual Report

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For the year ended December 31, 2013

Benjamin M. Lawskey, Superintendent

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## INTRODUCTION

The Department is responsible for supervising and regulating the activities of nearly 1,700 insurance companies with assets exceeding \$4.2 trillion and nearly 1,900 banking and other financial institutions with assets of more than \$2.9 trillion. The Department is organized into five divisions:

The **Insurance Division** supervises all insurance companies that do business in New York. The Division includes the Property, Life and Health Bureaus.

The **Banking Division** supervises, through chartering, licensing, registering, and examining safety and soundness of banking and other financial institutions. The division is composed of the following groups: Foreign & Wholesale Banks, Community & Regional Banks and Licensed Financial Services.

The **Financial Frauds and Consumer Protection Division** is responsible for protecting and educating consumers and fighting consumer fraud. The FFCPD encompasses a Civil Investigation Unit, a Criminal Investigation Unit; the Consumer Assistance Unit; Consumer Education and Outreach Unit; a Producer Licensing Unit; a Consumer Examinations Unit; and the Holocaust Claims Processing Office.

The **Capital Markets Division** provides the Department's expertise in capital markets (bonds, equities, credit, derivatives, commodities), Enterprise Risk Management, financial analysis, IT, internal controls and audit, research, fiduciary controls, regulatory accounting, Bank Secrecy Act, anti-money laundering and new financial products. Capital Markets works with all the other Divisions in examinations and also conducts target examinations independently. The Division has the primary regulatory responsibility for the New York State based public retirement systems and financial guaranty insurance companies.

The **Real Estate Finance Division** is responsible for regulating all real estate and homeowner issues, as well as such financial services as title insurance and mortgage insurance. The division includes Mortgage Banking and the Mortgage Assistance Unit.

Data in this report are for the year 2013, unless stated otherwise. Financial data for the Department is for the fiscal year 2012-2013.

To reduce reproduction costs, data that is posted on the Department website in the normal course of business, and that has been included in prior reports, is now instead referenced only on the website.

## MAJOR ACCOMPLISHMENTS

The Department continues to work to protect consumers and promote a thriving sustainable financial services sector for the long term. The highlights of some of that work are below.

### ENCOURAGING THE GROWTH OF INDUSTRY

#### Enhancing the New York State Bank Charter

One of the Department's key objectives is to promote the New York State bank charter. Banks recognize that having the State charter provides greater potential for dialogue with regulators on issues important to the banks. Banks also recognize the wealth of knowledge the Department has on local consumer issues. The New York State charter allows banks to be supervised by regulators who are more accessible, flexible and responsive than their federal counterparts due to a greater understanding of their home markets. By being more closely attuned to local institutions' needs and markets, state regulators are better able to provide supervisory guidance and support during challenging economic periods.

During 2013, the following three banks converted from federal to state charters:

- Mahopac Bank
- Gouverneur Savings and Loan Association
- Metropolitan Bank

Combined, these banks have assets totaling over \$1.7 billion and deposits totaling over \$56 million.

#### Recognizing the Importance of Community and Regional Banks to New York State

The Department sought to emphasize the role of community banks within New York State and developed the Community Banking Report to highlight and examine the importance and value of community banks to New York State.

In February 2013, the Department issued its Community Banking Report. The report assessed the significance of community banks to New York's economy, the various trends over the past 20 years in the number of banks, their assets, deposits, branches and profitability and future prospects for community banking in New York given economic conditions, competitive challenges from large banks and regulatory burdens.

#### Setting industry standards for the acquisition of annuity businesses

Investment firms and their affiliates have become active in the acquisition of annuity companies in the last few years. These non-traditional investors tend to have a shorter-term focus, while the annuity business is longer-term by nature. If investment firms focus on short-term financial gains by investing in riskier assets, etc., that may increase the risk for policyholders expecting retirement benefits down the road. The Department is considering the modernization of regulations to clarify acquisition requirements and expectations for all investors, in light of this emerging trend. The Department is in the process of gathering information to facilitate the regulation process. Subpoenas have been issued to firms that have acquired, or propose to acquire life insurers. Agreements were reached with investment

firms and life insurance companies that agreed to put in place heightened policyholder protections as part of planned acquisitions of New York annuity companies.

## **Cyber Security**

In 2013, the Department launched an agency-wide initiative aimed at improving cyber security throughout the financial services industry. As part of its efforts, the Department engaged in outreach--speaking to banks, insurance companies, and money transmitters of varying sizes, as well as security experts--to better understand the challenges and threats facing the industry. The Department also issued a cyber-security survey to over 150 financial institutions, covering key topics such as corporate governance, penetration testing, security breaches, budgets and costs, and future plans. The results of that survey were published in 2014. In addition, in response to calls for better information sharing, the Department hosted an online self-assessment webcast that enabled banks to benchmark their cyber programs against peer institutions.

In May and June 2013, the Department requested similar information from a broad group of life, property and health insurers concerning their cyber security practices. After reviewing the data concerning each company's cyber security practices, more in depth interviews are being conducted. The goal is to improve cyber security practices in the industry by improving examination procedures and providing more comprehensive feedback.

## **Automobile Usage Based Insurance Discount Programs**

The Department continues to work with insurers in implementing Automobile Usage Based Insurance (UBI) programs in New York. Policyholders who choose to participate in such optional rating programs can earn a discount based on their individual driving patterns. With UBI programs, the insurance company provides a device that is connected to the computer in the insured's vehicle, and records and uploads data on the insured's driving patterns for a specified period. Based on the data collected, a discount is applied to the policy. To date, the Department approved three UBI programs offered by personal auto writers that are currently available in New York. The Department has also approved optional miles-driven discount programs based solely on the annual miles driven for each policy period. Both types of programs allow policyholders to potentially reduce their premiums, especially those who drive infrequently.

## **PROTECTING CONSUMERS**

### **Storm Sandy Disaster Response**

In 2013, the Department continued to coordinate activities to assist New Yorkers impacted by 2012's Storm Sandy. Among these projects were the following:

- The Department issued an emergency regulation that established a non-binding mediation program aimed at bringing prompt closure to disputed insurance claims. Eligible homeowners could seek mediation, administered by the American Arbitration Association, for claims that were disputed or if they disagreed with their insurance company's denial of a claim. Insurers were required to participate in mediations in good faith and cover the costs of mediation.
- The Department issued an emergency regulation to address inadequate claims processing by insurers following Storm Sandy. The regulation required insurers to provide detailed, written

notification to insureds of what documents and forms were needed to complete claims. Insurers who could not respond to a claim within 15 days would receive a 30-day extension instead of the previous 90 days. Finally, insurers were required to provide weekly reports to the Department on the status of open claims and the reason claims remained open. This allowed the Department to monitor progress and reach out to claimants who may have needed assistance.

- The Department tracked and analyzed consumer complaints filed following Storm Sandy. In response to emerging trends, in late 2012 and 2013, the Department opened investigations, including issuing subpoenas of several insurance companies to determine the companies' compliance with New York insurance claims practices laws and regulations. The Department's investigation has confirmed considerable claims-processing issues, specifically with respect to delays in adjuster inspections. The Department has initiated settlement discussions with one insurer, while investigations of the other companies' post-Sandy claims settlement practices are ongoing.

### **Prohibiting Payday Lending**

Payday loans are short-term loans, typically an advance on a paycheck, with extremely high interest rates that violate New York's criminal usury law, which limits interest to 25 percent. Considering the fees on an annual basis, the interest rate can be as high as 400 percent. In early 2013, based on consumer complaints, the Department launched an investigation into payday lending. On February 22, 2013, the Superintendent issued a circular letter warning debt collectors that they are prohibited from collecting on illegal payday loans in New York, including usurious payday loans made in and to New York over the Internet.

On August 5, 2013, the Department sent letters to 35 online companies that were offering payday loans to New York consumers in violation of New York law. The letters demanded that the companies cease and desist from offering and originating illegal loans in New York. Since the Department issued those letters, 23 of the 35 online lenders purportedly have stopped making payday loans to New York consumers. Also on August 5, the Department sent letters to 117 financial institutions, as well as NACHA, the association that administers the Automated Clearing House network through which bank account credits and debits are issued, requesting that they work with the Department to enforce existing rules and to create a new set of model safeguards and procedures to stop illegal payday lending in and to New York.

### **Reforming Force-Placed Insurance**

Force-placed insurance is insurance purchased by a bank or mortgage servicer when a homeowner's property insurance coverage lapses, is cancelled, or does not comply with the homeowner's mortgage. The insurance is typically far more expensive than the coverage purchased by a homeowner, yet often provides less protection for the homeowner while protecting the lender's or investor's interest in the property. The Department conducted an investigation of the force-placed insurance industry that found that the rates for force-placed insurance bore little relation to insurers' actual loss experience, resulting in high profits, a portion of which insurers commonly passed on to mortgage servicers and their affiliates through commissions, other payments, and reinsurance arrangements, to the detriment of homeowners and investors.

In 2013, the Department entered into agreements with every admitted insurance carrier writing force-placed insurance in New York. The agreements included a total of \$25 million in penalties, a set of



nation-leading reforms, and restitution for homeowners who were harmed. The Department also issued proposed regulations to ensure that the Department's force-placed insurance reforms cover any company—present or future—that decides to offer force-placed insurance in New York.

### **Providing Relief for Homeowners in Financial Distress**

The Foreclosure Relief Unit within the Department continues to help homeowners stay in their homes and avoid foreclosure where possible. The goal is to give homeowners a real opportunity to obtain a loan modification by receiving help as early in the pre-foreclosure timeline as possible, when the chances for success are greatest. This, in turn, will help stabilize communities.

In 2013, the Department made over 200 visits to communities and provided help to an estimated 5,000 homeowners, who received guidance from the Department's foreclosure prevention specialists on issues such as applying for mortgage modifications and help in communicating with lenders. In many cases, the Department interceded directly with banks and mortgage servicers to help financially distressed homeowners.

Additionally, during the week marking the one-year anniversary of Storm Sandy in October 2013, the Mobile Command Center visited the areas hardest hit by the storm in Richmond, Kings, Queens, Nassau, and Suffolk Counties. By year-end, the Department's Mortgage Assistance Unit received approximately 820 Sandy-related complaints, and has investigated, handled, and closed nearly 800 files.

### **Reducing Health Insurance Costs**

- **Fair Rate Setting for Health Insurance Premiums.** The Department approved 2014 premium rates for individual direct-pay policyholders that were, on average, 53 percent lower than 2013 rates. The main reason for this large reduction is because a greater number of uninsured individuals are expected to obtain coverage through the State's health plan marketplace, lowering overall premiums. For approved 2014 small group plan rates, existing premium rates do not provide a functional year-over-year comparison. The approved small group rates, however, are generally lower than indicated by the estimates of other independent forecasters.
- **Premium Refunds.** Under the prior approval law, health insurers must spend at least 82 percent of premiums for individual and small group business and 80 percent for large group business on medical claims in order to meet minimum loss ratio requirements. If insurers spend less than that percentage, they are required to return the difference to policyholders. In 2013, the Department required insurers that did not meet the minimum loss ratio requirements to refund \$35.3 million to policyholders.

### **Affordable Care Act Implementation**

The Department continued to work in conjunction with the Governor's office, the Department of Health (DOH), other agencies and stakeholders to implement the federal Affordable Care Act (ACA), which was enacted in March 2010. Specific projects are outlined below.

- **Health Insurance Exchange.** With the aid of federal grants, the Department worked extensively on policy issues, administrative and technical operations, planning and stakeholder involvement necessary to implement New York's Exchange, the New York State of Health (NYSOH), allowing 2014 enrollment to begin on October 1, 2013.

- **Standardized Model Contract Language.** The Department finalized, with stakeholder input, standardized health insurance contract language to be used by insurers in the individual and small group markets both inside and outside the NYSOH. This allowed consumers, for the first time, to easily shop for and compare health insurance coverage options and facilitated efficiencies of operations for insurers and the Department.
- **Approval of Health Insurance Products.** The Department's legal staff reviewed the policy form filings to make sure the contracts use the standard contract language and conform to all NYS and Federal legal requirements. Actuarial staff reviewed the proposed premium rates to assure they are reasonable and not excessive. The Department approved 1,181 policy forms and corresponding premium rate filings related to NYSOH products and approved 740 individual and small group policy forms and corresponding premium rate filings to be offered outside the NYSOH. In addition, the Department reviewed, verified and approved 59 binder filings containing extensive data related to the policy benefits and rates, used to populate the NYSOH portal.
- **Brokers and Navigator Training and Certification.** The Department developed a training curriculum and certification process for brokers and navigators who assist consumers in the selection of products on the Exchange.

### **Investigation into Out-Of-Network Medical Costs**

The Department continued its efforts to address the concern of insureds receiving unexpected bills for medical services when their provider is not within their plan's network. After analyzing the results of an industry survey, the Department released a report in March 2012 that found an overwhelming need for increased transparency from insurers and medical service providers, and improved consumer protection measures to ensure that New Yorkers stop receiving unexpected bills. The Department continued to work towards legislative action to implement the recommendations from the report such as increased disclosure from providers, increased disclosure from insurers, and improved network protections.

### **Reforming Life Insurers' Claims Practices**

As the result of a Department investigation, insurers are now regularly matching life insurance policies against a reliable death list, rather than simply waiting for beneficiaries to file claims. The Department found that many insurers had used the Social Security database to stop annuity payments once a contract holder died, but had not used the same database to determine if death benefit payments were owed to beneficiaries under life insurance policies, annuity contracts, or retained asset accounts.

The beneficiaries of life insurance policies are now receiving the benefits they are entitled to receive because of a Department initiative. The initiative led to new regulations governing how deceased policyholders are identified so that proceeds can be paid to their beneficiaries. Under the new regulations, life insurers in New York must regularly search a federal government list of recent deaths to identify deceased policyholders and then find and pay the beneficiaries of life insurance policies for which no claims have been made.

The initiative resulted in more than \$1.1 billion paid to beneficiaries or escheated on their behalf. More than \$812 million of the amount was paid directly to over 113,500 beneficiaries nationwide, including more than \$241 million paid directly to over 25,800 New York beneficiaries.



























































































<b>Commenced</b>
Lumbermens Mutual Casualty Company
American Motorists Insurance Company
American Manufacturers Mutual Insurance Company
Ullico Casualty Company
Western Employers Insurance Company
<b>Continued</b>
Acceleration National Insurance Company
American Mutual Insurance Company of Boston
American Mutual Liability Insurance Company
Amwest Surety Insurance Company
Commercial Compensation Casualty Company
Credit General Insurance Company
Eagle Insurance Company
Fremont Indemnity Company
Legion Insurance Company
LMI Insurance Company
Newark Insurance Company
PHICO Insurance Company
Reliance Insurance Company
Security Indemnity Insurance Company
Shelby Casualty Company
The Home Insurance Company
Villanova Insurance Company
<b>Completed</b>
American Druggists' Insurance Company
Frontier Pacific Insurance Company
Transit Casualty Company
Western Employer's Insurance Company

<b>Conservations</b>
<b>Commenced</b>
None
<b>Continued:</b>
Folksam International Insurance Company (UK) Ltd.
Northumberland General Insurance Company
Legion Indemnity Company
<b>Completed:</b>
United Capitol Insurance Company
Highlands Insurance Company (UK) Ltd.
<b>Fraternal Benefit Societies</b>
<b>Commenced</b>
First Koshovater Benvolent Society of New York, Inc.
Senate Association, Inc.
B'nai Jacob and Bertha Landy Society
<b>Continued</b>
Adolph Ullman's Aid Society
Association of Mordecai Becher, Lieb Appel and Rubin Fleischer
Brooklyn First, Inc.
Chevra Bnei Solomon Jezierner
Chevra Neir Tomid Anshei Lubashow, Inc.
Congregation Agudath Bnai Kodesh Anshei, Kroz, Inc.
Cong. Ahavas Achim Anshei Tamashauer Petrokow
Congregation Anshe Kesser of Corona
First Boberka Sick and Benevolent Society and Congregation
First Yagotiner Relief Association, Inc.
Friends of Zion of Harlem
Independent Novoselitzer Bessarabian K.U.V.
Independent Stryjer Benevolent Society

Janover Kowner Guberna Benevolent Association, Inc
Laurelton Welfare Association, Inc.
Malcher Young Men's Benevolent Association, Inc.
New Kosintiner Young & Old Men's Society
Order of Lions, Inc.
Plonsker Young Men's Benevolent Society, Inc.
Starasol Friends Association, Inc.
The Cyril Maslow Family Circle, Inc.
<b>Completed</b>
Choiniker Ind. Aid Association
New Peoples Synagogue
Itky Arrinton Keshinower Ladies S.& B. Society
Progressive Musical Benevolent Society, Inc.
Congregation Cherba Anshi Sholem Kowdenow
Lieder Sisters Benevolent Society
Jagielnicer Benevolent And Aid Association, Inc.
Progressive Mishnitzer Young Mens
Progressive Horodenker Benevolent Society, Inc.
Independent Radautz Bukowinaer Benevolent Association, Inc.
L.A.L. Benevolent Society, Inc.
First Brodyer B'nai Brith Congregation
Locatcher Young Men's Benevolent Association, Inc.
Five Boro Benevolent Association, Inc.
Freedom Benevolent Society, Inc.
Kalarasher Bessarabian Progressive Association

## PROPERTY AND CASUALTY INSURANCE

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### PROPERTY/CASUALTY INSURANCE ENTITIES SUPERVISED BY THE DEPARTMENT

<b>Class</b>	<b>Number</b>
Accredited Reinsurers	93
Advance Premium Co-Operatives	17
Assessment Co-Operatives	23
Associations, Pools, And Syndicates	13
Captive Insurers	65
Financial Guaranty Insurers	14
Mortgage Guaranty Insurers	32
Property Insurance Underwriting Association (FAIR Plan)	1
Property/Casualty Insurers	808
Risk Retention Groups	112
Title Insurers (Including Two Accredited Reinsurers)	25
United States Branches	8

**LICENSED PROPERTY/CASUALTY INSURER SELECTED DATA 2009-2012**

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>Stock Companies</b>			
<b>Number of Insurers</b>	746	749	746	748
	<b>Dollars in Millions</b>			
Net Premiums Written	\$256,680	\$246,260	\$237,965	\$237,999
Admitted Assets	932,179	897,221	892,494	885,679
Unearned Premium & Loss Reserves	493,209	482,441	473,590	469,684
Other Liabilities	104,751	95,718	92,118	92,007
Capital	3,922	3,978	3,986	3,949
Surplus to Policyholders	334,220	319,061	326,786	323,988
	<b>Mutual Companies</b>			
<b>Number of Insurers</b>	69	71	72	72
	<b>Dollars in Millions</b>			
Net Premiums Written	\$80,891	\$77,938	\$75,733	\$73,382
Admitted Assets	275,189	259,614	256,394	242,421
Unearned Premium & Loss Reserves	106,682	104,797	101,209	97,908
Other Liabilities	31,648	28,559	28,290	27,166
Surplus to Policyholders	\$136,858	\$126,258	\$126,895	\$117,347

**PROPERTY/CASUALTY INSURER DIRECT PREMIUMS WRITTEN 2008-2012**

Property/Casualty Lines	Year					Percentage Change	
	Dollars in Millions						
	2008	2009	2010	2011	2012	2008-2012	2011-2012
All Premiums Written	\$33,894	\$32,885	\$33,014	\$34,147	\$35,907	6%	5.2%
Private Passenger Auto	9,789	9,948	10,147	10,431	10,811	10%	3.6%
Bodily Injury and Property Damage Liability	6,409	6,588	6,771	7,025	7,279	14%	3.6%
Comprehensive and Collision	3,380	3,360	3,376	3,406	3,532	5%	3.7%
Commercial Auto	1,921	1,796	1,748	1,718	1,826	5%	6.3%
General (Other) Liability	4,488	4,155	4,138	4,089	4,466	0%	9.2%
Commercial Multi-Peril	3,058	3,026	2,986	3,057	3,249	6%	6.3%
Workers' Compensation	3,501	3,423	3,623	4,157	4,755 -	36%	14.4%
Homeowners' Multi-Peril	4,079	4,219	4,336	4,500	4,704	15%	4.5%
Medical Malpractice	1,346	1,336	1,380	1,374	1,354	1%	1.5%
Inland Marine	951	954	962	1,032	1,139	20%	10.3%
Ocean Marine	513	450	440	449	445	13%	0.7%
Fidelity and Surety	540	484	463	455	442	18%	2.8%
Accident and Health	252	260	277	344	387	54%	12.6%
Fire	521	550	546	574	564 -	8%	1.6%
Product Liability	126	131	126	138	135 -	7%	2.1%
Financial Guaranty	1,843	1,030	804	643	431	77%	33.0%
Mortgage Guaranty	229	209	195	192	177	22%	7.7%
Allied Lines	330	331	324	342	366	11%	6.9%
Aircraft	49	115	14	63	47 -	196%-	25.2%
Boiler and Machinery	70	74	72	75	84 -	20%	12.4%
Credit	117	100	115	151	152	31%	1.1%
Burglary and Theft	19	18	19	21	23 -	18%	7.3%
All Other	251	277	301	344	349	39%	1.5%



**PROPERTY/CASUALTY NET PREMIUMS WRITTEN**

Stock Companies				Mutual Companies			
No. of Companies	Net Premiums Written	Surplus/ Policy-holders	Ratio of Premiums to Surplus	No. of Companies	Net Premiums Written	Surplus/ Policy-holders	Ratio of Premiums to Surplus
	Dollars in Millions				Dollars in Millions		
746	\$256,680	\$334,220	0.8	69	\$80,891	\$136,858	0.6
Aggregate Writings (in Billions): <b>\$337.6</b>							
% in Stock: <b>76.0%</b>							

**FINANCIAL GUARANTY INSURERS SELECTED DATA**

	2012	2011	2010	2009
<b>Number of Companies</b>	<b>14</b>	<b>16</b>	<b>15</b>	<b>15</b>
	<b>Dollars in Millions</b>			
Exposure	\$1,602,780.9	\$2,140,822.6	\$2,450,692.6	\$2,788,029.8
Net premiums written	602.4	964.0	1,368.4	1,864.2
Admitted assets	27,309.0	34,051.3	36,476.4	38,735.1
Unearned premium & loss reserves	8,446.9	16,521.3	18,135.8	18,196.7
Other liabilities	8,884.9	11,455.5	12,257.7	12,922.4
Capital	739.3	1,069.3	1,069.3	1,061.5
Surplus to policyholders	\$9,977.1	\$6,074.5	\$6,083.0	\$7,616.0

**MORTGAGE GUARANTY INSURERS SELECTED ANNUAL STATEMENT DATA**

	2012	2011	2010	2009
<b>Number of companies</b>	<b>32</b>	<b>32</b>	<b>31</b>	<b>31</b>
	<b>Dollars in Millions</b>			
Net premiums written	\$3,436.2	\$3,655.9	\$3,624.5	\$3,824.3
Admitted Assets	19,483.4	21,437.1	24,344.9	25,885.1
Unearned premium & loss reserves	13,462.9	14,277.3	15,132.9	16,294.0
Other liabilities	2,740.5	3,537.4	1,748.1	3,264.6
Capital	86.2	87.2	85.4	80.9
Surplus	\$3,227.9	\$3,622.4	\$7,463.9	\$6,326.5

**MORTGAGE GUARANTY INSURERS NET PREMIUMS WRITTEN AND SURPLUS**

<b>Net Premiums Written (During Year)</b>	<b>Surplus to Policyholders (End of Year)</b>	<b>Ratio of Premiums to Surplus</b>
<b>Dollars in Millions</b>		
\$3,436.2	\$3,227.9	1.06

**TITLE INSURANCE COMPANIES SELECTED DATA**

	2012	2011	2010	2009
<b>Number of Companies</b>	<b>25</b>	<b>23</b>	<b>24</b>	<b>25</b>
	<b>Dollars in Millions</b>			
Net premiums written	\$10,742.9	\$8,912.2	\$9,050.8	\$7,665.4
Admitted assets	8,803.9	8,160.0	8,170.4	7,069.7
Liabilities	5,143.1	5,388.7	5,399.1	4,501.3
Capital	315.4	314.9	315.2	273.9
Surplus	\$3,660.8	\$2,771.3	\$2,771.3	\$2,568.4

**ADVANCE PREMIUM AND ASSESSMENT CORPORATIONS SELECTED DATA**

<b>2012</b>	<b>Total</b>	<b>Advance Premium Corporations</b>	<b>Assessment Corporations</b>
<b>Number of companies</b>	<b>41</b>	<b>17</b>	<b>24</b>
	<b>Dollars in Millions</b>		
Total assets	\$2,783.7	\$2,342.6	\$441.0
Net premiums written	1,008.2	865.9	142.3
Surplus funds	\$1,349.4	\$1,081.6	\$267.8

**HEALTH INSURANCE**

**HEALTH INSURANCE ASSETS, LIABILITIES AND PREMIUMS WRITTEN**

	<b>Assets</b>	<b>Liabilities</b>	<b>Premiums Written in New York</b>
	<b>Dollars in Thousands</b>		
Continuing Care Retirement Community (CCRC)*	\$ 1,077,628	\$ 1,413,076	n/a (see note below)
Article 42 Insurer	24,732,989	14,949,585	\$ 15,864,358
Article 43 Corporation	7,684,451	3,743,195	18,759,744
HMO**	6,004,986	2,062,253	13,431,392
Muni-Coop.***	389,942	177,390	528,566
<b>Total</b>	<b>\$ 39,889,996</b>	<b>\$22,345,499</b>	<b>\$48,584,060</b>
* Numbers as of 2012. 2013 statements for CCRCs are due May 1. CCRCs do not have premiums. Residents pay a monthly fee.			
** AlphaCare of New York, Inc. (NAIC code 15208) has not yet filed its Annual Statement, due April 1st.			
*** Muni-coop statements are due 120 days after the end of their fiscal year.			

## LIFE INSURANCE

### LIFE INSURANCE COMPANIES REGULATED BY THE DEPARTMENT

Type	Number
Life – New York	81
Life – Other States	55
Accredited Reinsurers	30
Fraternal – New York	3
Fraternal – Other States	33
Fraternal – Canadian, U.S. Branch	1
Charitable Annuities	345
Retirement Systems	21
Life Settlement Providers	30
Welfare Funds	22
Certified Reinsurers	8
<b>Total</b>	<b>629</b>

### LIFE INSURANCE COMPANY ADMITTED ASSETS

	2012	2011	2007	2002
	Dollars in Billions			
<b>Total</b>	<b>\$2,768.8</b>	<b>\$2,589.0</b>	<b>\$2,539.9</b>	<b>\$1,719.6</b>
Percent Increase From 2002	61.0%	50.6%	47.7%	
<b>Type of Asset</b>				
Bonds	\$1,170.5	\$1,125.6	\$1,031.6	\$802.3
Stocks	60.0	61.7	83.7	47.1
Mortgage Loans	190.9	182.2	187.3	145.7
Real Estate	11.2	10.9	12.8	14.5
Policy Loans/Liens	70.8	69.2	62.5	56.5
Short-Term Holdings	23.0	21.1	16.6	27.9
Other	1,242.2	1,118.2	1,145.3	625.4
Note: Detail may not add to totals due to rounding.				

**LIFE INSURER ASSETS, LIABILITIES, CAPITAL & SURPLUS**

	2012	2011
	<b>Dollars in Billions</b>	
Assets	\$2,768.8	\$2,589.0
Liabilities	2,594.1	2,424.5
Capital & Surplus	174.6	164.5

**TOTAL LIFE INSURANCE IN FORCE (COMPANIES LICENSED IN NEW YORK STATE)**

	2012	2011	2007	2002
	<b>Dollars in Billions</b>			
<b>Total Insurance In Force</b>	<b>\$14,929.7</b>	<b>\$14,579.7</b>	<b>\$12,850.4</b>	<b>\$10,142.7</b>
Percent increase from 2002	47.2%	43.7%	26.7%	
<b>Type of Business</b>	<b>Dollars in Billions</b>			
Ordinary	\$8,085.4	\$7,886.2	\$6,950.8	\$5,580.3
Group	6,811.0	6,658.4	5,848.0 -	4,500.1
Credit	28.2	29.5	45.8	55.4
Industrial	5.1	5.6	5.9	6.8

**LIFE INSURANCE IN FORCE IN THE STATE OF NEW YORK**

<b>Insurance In Force</b>	2012	2011	2007	2002
	<b>Dollars in Billions</b>			
<b>Total</b>	<b>\$1,923.0</b>	<b>\$1,934.7</b>	<b>\$1,690.7</b>	<b>\$1,387.0</b>
Percent increase from 2002	38.6%	39.5%	21.9%	
<b>Class of Business</b>				
Ordinary	\$1,290.6	\$1,287.9	\$1,123.2	\$830.2
Group	627.7	642.0	560.4	548.5
Credit	4.2	4.4	6.6	7.6
Industrial	0.4	0.5	0.5	0.8

**DOMESTIC LIFE INSURANCE COMPANIES ADMITTED ASSETS/INSURANCE IN FORCE**

<b>Domestic Life Insurers</b>	<b>2012</b>	<b>2011</b>	<b>2007</b>	<b>2002</b>
	<b>Dollars in Billions</b>			
Admitted Assets	\$1,115.1	\$1,051.6	\$946.6	\$639.0
Percent Increase from 2002	74.5%	64.6%	48.1%	
	<b>Dollars in Billions</b>			
Insurance in Force	\$6,770.2	\$6,622.4	\$5,658.0	\$4,018.0
Percent Increase from 2002	68.5%	64.8%	40.8%	

**FRATERNAL BENEFIT SOCIETIES ADMITTED ASSETS/INSURANCE IN FORCE**

	<b>2012</b>	<b>2011</b>	<b>2007</b>	<b>2002</b>
	<b>Dollars in Billions</b>			
Admitted Assets	\$102.9	\$96.4	\$78.8	\$63.9
Insurance in Force	\$369.9	\$357.8	\$317.0	\$272.2

**PRIVATE PENSION FUNDS ADMITTED ASSETS/INSURANCE IN FORCE**

	<b>2012</b>	<b>2011</b>	<b>2007</b>	<b>2002</b>
	<b>Dollars in Millions</b>			
Fair value of assets	\$211,623	\$203,839	\$225,977	\$129,377
Payments to Annuitants and Beneficiaries	\$22,627	\$24,053	\$22,778	\$10,483
Note: Prior to 2007, assets were Total Admitted Assets, when the annual statement was prepared on a statutory basis.				

**PUBLIC RETIREMENT SYSTEMS AND PENSION FUNDS ADMITTED ASSETS/INSURANCE IN FORCE**

	2012	2011	2007	2002
	<b>Dollars in Millions</b>			
Fair Value of Assets	\$352,796	\$350,383	\$372,490	\$266,930
Payments to Annuitants and Beneficiaries	\$24,838	\$23,485	\$19,412	\$13,024
Note: Prior to 2007, assets were Total Admitted Assets, when the annual statement was prepared on a statutory basis.				

**SEGREGATED GIFT ANNUITY FUNDS ADMITTED ASSETS/INSURANCE IN FORCE 2001-2011**

	2012	2011	2007	2002
	<b>Dollars in Millions</b>			
Total admitted assets	\$2,483.0	\$2,300.3	\$2,167.1	\$1,230.4
Annual payments to annuitants	\$210.6	\$203.6	\$177.7	\$114.0

## FUNDS HELD BY OR DEPOSITED WITH THE SUPERINTENDENT

### UNCLAIMED FUNDS FROM VOLUNTARY OR INVOLUNTARY BANK LIQUIDATIONS

Date Funds Paid to Superintendent	Name of Institution	Deposits or Dividends	Paid to Claimants in 2012	Paid to Date	Balance
Dollars in Thousands					
July 20, 2010	Middle Village Credit Union	\$43,054.73	\$0	\$24,546.85	\$18,507.88
	<b>Total</b>	<b>\$43,054.73</b>	<b>\$0</b>	<b>\$24,546.85</b>	<b>\$18,507.88</b>

Note: All unclaimed Funds on deposit with the Superintendent are held by the Office of the State Comptroller.

### PUBLIC MOTOR VEHICLE LIABILITY SECURITY FUND

<b>Beginning Balance as of 4/01/2012</b>	<b>\$53,287,865</b>
Assessments Paid into the Fund	9,703,862
Net Interest Income	73,920
Recoveries	4,372,412
Total Receipts	14,150,194
<b>Subtotal</b>	<b>67,438,059</b>
<b>LESS DISBURSEMENTS</b>	
Administrative Expenses	9,110
Awards & Expenses of companies in liquidation	2,795,215
<b>Total Disbursements</b>	<b>2,804,325</b>
<b>Total in Fund as of 3/31/2013</b>	<b>\$64,633,734</b>

Note: The fund has an outstanding liability of \$50 million for funds transferred from the Property Casualty Insurance Security Fund, as permitted under Section 7603 (e) (2) of the Insurance Law.



**PROPERTY CASUALTY INSURANCE SECURITY FUND**

<b>Beginning Balance as of 4/01/2012</b>	<b>\$172,292,583</b>
Assessments Paid into the Fund	63
Net Interest income	552,418
Recoveries	88,970,779
<b>Total Receipts</b>	<b>89,523,260</b>
<b>Subtotal</b>	<b>261,815,843</b>
Less disbursements:	
Administrative Expenses	56,490
Awards & Expenses of companies in liquidation	60,165,651
<b>Total Disbursements</b>	<b>60,222,141</b>
<b>Total in Fund as of 3/31/2013</b>	<b>\$201,593,702</b>

Note: Total does not include transfer of \$87 million to State General Purpose Fund,  
or transfer of \$50 million to the Public Motor Vehicle Liability Security Fund.

**WORKERS COMPENSATION SECURITY FUND**

<b>Income and Disbursements</b>	
Beginning Balance as of 4/01/2012	\$142,050,529
Assessments Paid into the Fund	\$749,467
Net Interest income	162,009
Recoveries	51,068,692
<b>Total Receipts</b>	<b>51,980,168</b>
<b>Subtotal</b>	<b>194,030,697</b>
<b>LESS DISBURSEMENTS</b>	
Administrative Expenses	20,527
Awards & Expenses of companies in liquidation	50,083,638
<b>Total Disbursements</b>	<b>50,104,165</b>
<b>Total of Fund as of 3/31/2013</b>	<b>\$143,926,532</b>

**STATE TRANSMITTER OF MONEY INSURANCE FUND (STMIF)**

<b>BALANCE SHEET</b>	<b>Amount</b>
<b>ASSETS</b>	
Cash in STMIF Account - January 1, 2013	\$17,521,683
Cash Received in STMIF From Assessments	1,864,979
Interest Received in STMIF	28,748
Cash Expenses in 2013	0
<b>TOTAL ASSETS</b>	<b>19,415,410</b>
<b>2012 STMIF ASSESSMENT</b>	
Total 2012 Assessment (billed 02/01/2013)	1,864,979
Total Outstanding Balance to be collected as of 02/31/13	\$0
<b>INCOME</b>	
Assessment Income	1,864,979
Interest Income	28,748
Total Income 2013	1,893,727
<b>EXPENSES</b>	
Expenses	0

## DEPARTMENT ORGANIZATION AND MAINTENANCE

### 2013 DEPARTMENT RECEIPTS

<b>Assessments and Reimbursement of Department Expenses:</b>	<b>Amount</b>
Banking Industry Assessment	75,619,328
Insurance Industry Assessment	394,628,122
Banking Industry Specific Assessment	38,053
STMIF Assessment	1,864,979
Insurance Industry Examination Fees	11,306,880
Administrative Expense Reimbursement	224,315
<b>Subtotal</b>	<b>483,681,677</b>
<b>Taxes Collected</b>	
Retaliatory Taxes - Insurance Law Section 1112	3,798,346
Excess Line Premium Taxes - Insurance Law Section 2118	71,030,876
<b>Subtotal</b>	<b>74,829,222</b>
<b>Fees and Other Revenue Collected</b>	
Section 9110 - Motor Vehicle Law Enforcement Fee	120,028,495
Licensing and Accreditation Fees	21,111,415
Section 9108 - Fire Insurance Fee	14,273,647
Fines and Penalties	368,002,692
MLO Annual License Fees	1,988,507
Banking Industry Application Fees	1,001,850
Section 1212 - Summons and Complaints	824,246
Section 1112 - Filing Annual Statements, Certificates of Authority and Admission Fees	555,322
Fingerprint Fees	144,330
Section 9107 - Certification & Filing Fees	83,191
FOIL Requests	15,345
Miscellaneous Revenue	4,377
<b>Subtotal</b>	<b>528,033,417</b>
<b>Foreign Fire Tax and Security Funds Receipts</b>	
Foreign Fire Tax - Insurance Law Sections 2118, 9104 and 9105	49,600,252
Property Casualty Insurance Security Fund – Article 76	89,523,260
Public Motor Vehicle Liability Security Fund – Article 76	14,150,194
Workers' Compensation Security Fund – Article 6A of WC Law	51,980,168
<b>Subtotal</b>	<b>205,253,874</b>
<b>Total Department Receipts</b>	<b>\$1,291,798,190</b>

**2012-2013 STATE FISCAL YEAR INSURANCE EXPENDITURES**

<b>APPROPRIATIONS AVAILABLE</b>	<b>\$223,217,823</b>
Operating Budget	
Personal Service	66,267,511
Non-Personal Service	54,948,853
Total Insurance Expenditures from Appropriations	121,216,363
Total Other Expenditures / Maintenance Undistributed (MU)	82,334,727
Total Expenditures from Insurance Account	203,551,090
HCPO Sub-allocation to Banking Department	
Appropriation Available	395,079
HMO/Healthy NY Programs	
Appropriations Available	201,240,000
Non-Personal Service	200,772,075
Total Expenditures HMO/Healthy NY Programs	200,772,075

**2012-2013 STATE FISCAL YEAR BANKING EXPENDITURES**

<b>APPROPRIATIONS AVAILABLE</b>	<b>\$92,113,000</b>
Operating Budget	
Personal Service	43,473,044
Non-Personal Service	35,056,065
Total Banking Department Expenditures from Appropriations	78,529,109
Total Other Expenditures / Maintenance Undistributed (MU)	227,000
Total Expenditures from Banking Account	78,756,108
Seized Assets	
Appropriations Available	50,000
Non Personal Service	32,477
Total Expenditure from Seized Assets Account	32,477
Settlement Enforcement	
Appropriations Available	900,000
Non-Personal Services	0
Total Expenditures from Aid to Localities	0