



**B U L L E T I N**

**August 12, 2008**

*Contact: Martin Heagen, VP & Actuary  
Ext. 117, mheagen@nycirb.org*

**R.C. 2178**

**To the Members of the Board**

**Re: New York Workers Compensation  
Workers Compensation Security Fund Surcharge**

On July 10, 2008, the Rating Board issued bulletin R.C. 2173 advising that a 0% policyholder surcharge for the New York Workers Compensation Security Fund had been approved for publication in the New York Workers Compensation and Employers Liability Manual with an effective date of July 10, 2008. This manual change was implemented as a result of the Insurance Department's Circular Letter No. 11, dated May 15, 2008, in which the Department announced the suspension of the 2% contribution by carriers to the Security Fund.

Because of the uncertainty regarding how and when actual collections of the surcharge should cease, the Department has now issued Supplement No. 1 to Circular Letter No. 11, dated August 7, 2008. This supplement states that carriers should immediately cease collecting the surcharge and that any monies collected on and after January 1, 2008 that have been retained by the carriers must be remitted to the Superintendent of Insurance pursuant to Section 108(5) of the Workers' Compensation Law.

A copy of Supplement No. 1 to Circular Letter No. 11 is attached for your reference. You will be advised of any changes to our manual that may be necessitated by this latest circular letter.

Questions regarding Supplement No. 1, or the Security Fund in general, should be addressed directly to the New York State Insurance Department.

**Very truly yours,**

**Monte Almer**

**President**

MH/ab  
Encl.



STATE OF NEW YORK  
INSURANCE DEPARTMENT  
ONE COMMERCE PLAZA  
ALBANY, NY 12257

David A. Paterson  
Governor

Eric R. Dinallo  
Superintendent

**Supplement No. 1 to  
Circular Letter No. 11 (2008)  
August 7, 2008**

**To: All Property/Casualty Insurance Companies and Reciprocal Insurers Authorized to Write Workers' Compensation Insurance**

**Re: Workers' Compensation Security Fund**

**STATUTORY REFERENCE: Sections 108 and 109 of the Workers' Compensation Law**

Circular Letter No. 11, issued May 1, 2008 noted that the amount of assets in the Workers' Compensation Security Fund ("Fund") as of March 31, 2008 exceeds \$74 million dollars. Section 109 of the Workers' Compensation Law provides that when the amount of assets of the Fund equals or exceeds \$74 million dollars, no further contributions shall be required.

Carriers should cease collecting the surcharge from their insureds immediately. Any surcharge collected as of, and after, January 1, 2008 that has been retained by the carrier must be remitted to the Superintendent of Insurance pursuant to Section 108(5) of the Workers' Compensation Law by [120 days from circular letter date].

Please acknowledge receipt of this letter and refer any questions to:

Mark E. Daigneault  
Director of Taxes and Accounts  
New York State Insurance Department  
One Commerce Plaza  
Albany, New York 12257

Sincerely,

Karen E. Cole  
Director of Administration and Operations