



EXCESS LINE ASSOCIATION  
OF NEW YORK

# BULLETIN

One Exchange Plaza / 55 Broadway, 29<sup>th</sup> Floor  
New York, New York, 10006-3728

**Bulletin No. 2011-22**

**August 3, 2011**

## **Re: 14<sup>th</sup> AMENDMENT TO REGULATION 41 AND CIRCULAR LETTER NO. 9(2011)**

Please be advised that on July 22, 2011, the New York State Insurance Department (NYSID) issued Circular Letter No. 9(2011) titled, "Amendments to the New York Insurance Law to Conform to the Federal Nonadmitted and Reinsurance Reform Act of 2010," and also promulgated the 14th amendment to Regulation 41 as an emergency measure in order to bring the regulation into conformance with the Nonadmitted and Reinsurance Reform Act of 2010 and Chapter 61 of the Laws of 2011. (Copies attached.)

An initial review by ELANY noted one significant matter to bring to your immediate attention. The NYSID has determined that when New York is the "home state" on an excess line insurance policy having an effective date of on or after July 21, 2011, that covers property or risk(s) located both inside and outside the United States (multi-national), only the portion of gross premium allocable to the risks located inside the United States (US) will be taxed by New York. The taxable portion of the US risk shall be determined by using the method of allocation proscribed in the allocation schedule contained in Appendix 5 of the 14<sup>th</sup> Amendment to Regulation 41. This is a change from the NYSID's initial interpretation of the NRRRA with regard to taxing the gross premium on the entire multi-national risk, which was contained in the original "Draft Circular Letter No. 9(2011.)" ELANY will reprogram its electronic platform accordingly.

Following further analysis and discussions with the NYSID regarding implementation of any changes required by the new regulatory provisions, further information, where necessary, will be provided to you.

Should you have any questions, concerns or comments that you would like to bring to ELANY's attention regarding the 14<sup>th</sup> Amendment or Circular Letter No. 9(2011), please e-mail them to Eugene Nunziata, Education/Communications Director at [enunziata@elany.org](mailto:enunziata@elany.org).

**For a more comprehensive explanation of the NRRRA, please visit our website [www.elany.org](http://www.elany.org) and review ELANY's April 2011 Compliance Advisor, titled "New York's Implementation of the Nonadmitted and Reinsurance Reform Act (NRRRA)."**

**All current ELANY bulletins and other current ELANY publications can be found on our website at <http://www.elany.org>.**

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