



***IMPORTANT NEWS! IMPORTANT NEWS! IMPORTANT NEWS!***

**NY LEGISLATURE PASSES GROUP SELF INSURED LEGISLATION**

June 25, 2008

Dear Agents and Trust Members:

On Tuesday June 24, 2008, the State Senate and Assembly reached agreement on a bill aimed at improving transparency and strengthening regulation of group self-insurance. The legislation is designed to ensure all trusts become fully funded. This new legislation addresses the current strain on the workers' compensation system as a result of the recent assessment controversy and regulatory failures.

The legislation provides immediate relief from the most pressing issue facing self insured groups. Specifically, the legislation establishes an alternative source of funding for the current deficit, the majority of which was caused by the failure of groups from one administrator. This legislation ensures that these costs will not be passed onto groups that are more fiscally responsible, such as those administered by NYCM. In addition, the legislation mandates joint and several liability assessments immediately to the members of failed groups.

Perhaps most importantly, by passing the legislation, the state recognizes the value of self-insured groups as a strong alternative to the commercial workers' compensation market. The legislation creates a Task Force to examine issues affecting the group self insurance industry. This Task Force will have a positive impact on the workers' compensation system and the ability of small businesses to avail themselves to the benefit of self insurance.

NYCM, Inc. will continue to provide updates on the legislative action and pending reform. In addition, NYCM, looks forward to continuing to provide you the best Trust services in the industry.

If you have any questions, please feel free to contact NYCM.