



**IMPORTANT NEWS REGARDING GROUP
SELF INSURANCE LEGISLATION**

July 15, 2008

On June 30, 2008 Governor Paterson signed into law the Self Insured Group Legislation that was passed by the Senate and Assembly on June 24, 2008.

As we outlined in our communication of June 25, 2008, this law provides for immediate relief of the assessment issue and provides an alternative source for funding the current deficit created by the failure of groups from one administrator. In addition, the law establishes a task force to examine issues affecting the group self insured industry. The task force has to issue a report with a long term plan to the governor in early 2009. We feel this is a sign that NYS recognizes the value of self insured groups and wants to ensure their long term viability. At the same time, they want to make sure that the actions (or lack of) caused by one administrator does not reoccur.

NYCM has heard from agents that another administrator is advising the agent community that the new law has essentially killed the group self insured industry and that they will be closing their groups and offering guaranteed cost programs. We do not agree!

Even though the new legislation may create some challenges, it will make the remaining Trusts stronger. The charge of the Task Force is just this.

Trusts administered by NYCM are financially stable and fully funded. Many changes have been made over the last couple of years to get to a fully funded position and maintain that position.

We also understand that some clients may not be comfortable with self insured trusts. To assist placing those clients, NYCM is developing additional options to assist your efforts. We will have additional information about this in the upcoming weeks.

As more information about the new legislation is released, we will be sure to pass it along. In the meantime, if you have any questions please feel free to contact us.

Anthony D'Amato
Vice President