



March 2009

To the Editor:

New York is facing record deficits in its state budget. However, in their haste to fill in the gaps, public policymakers are killing jobs and all but suffocating businesses.

We are writing on behalf of property and casualty insurance companies chartered in New York. We provide jobs vital to the state's economy, and our insurance services enable people to recover from a catastrophe and have peace of mind knowing their homes, autos, and businesses are protected.

New York retroactively assessed domestic insurance companies \$180 million to meet the state's own budgetary shortfall. Companies' assessments were doubled and even tripled.

It gets worse. The Governor's total proposed taxes and assessments on insurance companies would increase the amount companies pay in 2009 and 2010 by up to 700 percent above the current rate. No industry is able to incur an additional burden of this astronomical magnitude.

When insurance consumers get their next insurance bill, they should not necessarily blame the insurance company. They should be sure to recognize the role elected officials are playing in insurance rates. Insurance companies will definitely be filing for rate increases with the New York State Insurance Department because of these increased assessments. The price tag of doing business in New York is so expensive companies are forced to share the cost with consumers.

Raising taxes on businesses in the middle of a deep recession is a bad idea. We urge the Legislature to come up with a more sensible approach, one that encourages businesses to stay in New York and does not put additional burden on insurance consumers.