



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Benjamin M. Lawskey
Superintendent

January 6, 2014

The Honorable Andrew M. Cuomo
Governor
State Capitol
Albany, NY 12224

The Honorable Thomas P. DiNapoli
State Comptroller
Office of the State Comptroller
Albany, NY 12224

The Honorable Jeffrey D. Klein
Temporary President and Majority Coalition Leader
State Capitol
Albany, NY 12224

The Honorable Dean G. Skelos
Temporary President and Majority Coalition Leader
State Capitol
Albany, NY 12224

The Honorable John A. DeFrancisco
Chair, Senate Finance Committee
State Capitol
Albany, NY 12224

The Honorable Sheldon Silver
Speaker of the Assembly
State Capitol
Albany, NY 12224

The Honorable Herman D. Farrell, Jr.
Chair, Assembly Ways & Means Committee
Legislative Office Building
Albany, NY 12224

Re: Audit Report 2013-S-6 - Costs to Administer the Insurance Division Operations for the Three Fiscal Years Ended March 31, 2012

Dear Sirs:

The Department of Financial Services ("DFS") has reviewed the October 9, 2013 letter from the Office of the State Comptroller ("OSC") regarding OSC Audit 2013-S-6, which concerns costs to administer the Insurance Division's operations for the three fiscal years ended March 31, 2012.


The audit report addresses an allocation error in the assessment of the insurance industry for the 2011-2012 fiscal year. Out of the thousands of assessment transactions processed by DFS, the OSC discovered one error, which was not financially significant. The error amounted to less than a tenth of one percent of the overall assessment.

Upon discovery of the billing error, DFS took steps to correct the error by increasing the assessment to the insurance industry by \$229,662 and applying a commensurate decrease to the banking industry in bills for the 2012-2013 fiscal year.

Accordingly, DFS considers this matter closed.

Please feel free to contact me with any questions.

Very truly yours,



Lawrence Montle
Director, Internal Audit

cc: John Buyce, Audit Director, Office of the State Comptroller