



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