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N.Y. Releases 'Clean' First Audit of Liquidation Bureau

(BestWire Services) The New York state agency that manages impaired and insolvent insurance companies received a clean bill of health in its first-ever audited financial statements, insurance regulators announced. The statements mark the end of a year-long review of the 99-year-old New York Liquidation Bureau.

As part of the audit process, the bureau had to reconstruct and reconcile decades of financial history for the estates of 26 domestic insurance companies in liquidation and two companies currently in rehabilitation, with combined assets of \$3 billion. The audit by Amper, Politziner and Mattia returned a "clean" opinion of the bureau's 2006 financial statements, New York Insurance Superintendent Eric Dinallo said in a statement.

"Never before in its 99-year history has the NYLB published financial reports at this level of detail, nor have its activities ever been subjected to a top-to-bottom audit by an independent accounting firm," Dinallo said.

The NYLB carries out the superintendent's duties as receiver of impaired or insolvent insurance companies in New York. It administers claims by New Yorkers seeking compensation from an impaired insurer. In the past four years, these payments have totaled more than \$775 million.

The audit represents the second stage of an ongoing review of the NYLB. The bureau previously issued a report identifying the auditor's findings of operational failures under its prior management. The NYLB announced plans to release audited financial statements for 2007 in the coming months.

"In light of the fiscal and economic problems New York is facing, it is essential that every part of state government operate in a transparent and cost-efficient way," Gov. David Paterson said in a statement.

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