



**STATE OF NEW YORK
INSURANCE DEPARTMENT
160 WEST BROADWAY
NEW YORK, NEW YORK 10013**

Circular Letter No. 19 (1994)
November 15, 1994

TO: All Licensed Property/Casualty Insurers;
All P/C Insurer And Producer Organizations

RE: Liability Insurance Requirements For Farm Motor Vehicles

This is to alert property/casualty insurers that may insure farm exposures and insurance producers of a significant change in the Vehicle and Traffic Law (V & T Law). This change affects approximately 25,000 farm motor vehicles, trailers and semitrailers in this State by now requiring that the owners of these vehicles purchase liability insurance in order to register their vehicles.

Chapter 654 of the Laws of 1994, effective January 29, 1995, amends Section 321 of the V & T Law. Section 321 lists exceptions to the Motor Vehicle Financial Security Act (Article 6 of the V & T Law). This amendment removes the exception for motor vehicles registered pursuant to Subdivision 13 of Section 401 of the V & T Law (farm motor vehicles).

Background -- Section 401 of the V & T Law applies to motor vehicle registration. Subdivision 13 of Section 401 of the V & T Law, as amended, applies to owners of motor vehicles (other than motor vehicles manufactured and equipped for the transportation of passengers), trailers and semitrailers intended to be operated only on a public highway for the purpose of traveling by the most direct route to and from commonly owned farms or portions of farms and/or municipal sanitary landfills. Currently such farm motor vehicles, trailers and semitrailers are exempt from the requirement to purchase liability insurance in order to register their vehicles. The new law requires, beginning January 29, 1995, all owners of these farm vehicles to have liability insurance in order to register them. According to the Department of Motor Vehicles (DMV), all farm vehicle registrations have a uniform registration expiration date of December 31st.

Impact -- Approximately 25,000 vehicles will be affected by this law. DMV will be sending information about the change in the law in a package with the registration renewal forms. DMV expects that many owners of farm motor vehicles will initially choose not to register their vehicles rather than to purchase coverage. Law enforcement agencies will be advised by DMV of the new law and will be requested to enforce it.

All property/casualty insurers and insurance producers should disseminate the above information to sales, underwriting, state filings and other relevant personnel, including producers, as soon as possible. Necessary steps should be taken to ensure that insurers have appropriate rate and form filings in effect prior to writing this coverage and to assist the farmers of this State in obtaining the required coverage.

Please acknowledge receipt of this Circular Letter in writing to:

Alan Goren, Senior Examiner
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160 West Broadway
New York, New York 10013

T: (212) 602-0341
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If you have any questions regarding the implementation of the law, kindly contact Joseph La Freniere of DMV at (518) 474-1380.

Very truly yours,

Salvatore R. Curiale
Superintendent of Insurance