

November 19, 1979

SUBJECT: INSURANCE

Circular Letter No. 31 (1979)

TO: All insurers licensed to write automobile physical damage insurance in New York State

RE: New York City Rotation Towing Program to recover stolen or abandoned vehicles and insurers right to take insured vehicles into custody for safekeeping prior to the payment of a loss.

The New York City Rotational Towing Program has been developed as part of the continuing effort to reduce claims costs under automobile insurance policies and thereby stabilize premium rates. This Circular Letter will serve to advise you of the existence of the July, 1979 program and your obligations and rights thereunder.

When a vehicle reported as stolen is located by the police, tow company operators are called on a rotating basis. Within an hour the vehicle is removed from the street and towed to a safe storage location. The National Automobile Theft Bureau (NATB) is immediately notified of the identification number of the recovered car. The NATB then contacts the designated representative of the automobile's insurer and advises the company of the vehicle's recovery. It is essential that automobile physical damage insurers advise the NATB on an updated basis of the name, title and phone number of their designated representative for such contacts.

Pursuant to Section 167-e as added by Chapter 692 of the Laws of 1979 and the 5th Amendment to Regulation 64 (11NYCRR 216.10 (i)) automobile physical damage insurers are permitted to take immediate custody of the automobile for safekeeping when notified of the location of the automobile. The insurer may take this protective action even though a claim has yet to be paid.

The attached "Receipt For Release Of Vehicle" form, which requires notarization, must be used to obtain custody of the insured vehicle from the authorized Tow Company and Police Department Interim Order No. 25-2 notifies All Commands of the required document.

Cooperation of all concerned parties will result in a higher recovery rate of vehicles in better individual condition. Insurers must establish procedures to expeditiously process and physically safeguard recovered stolen vehicles. The number of stolen vehicles transferred to the police pound for auction must be kept to a minimum.

Please address any questions regarding this letter or the Rotation Program to:

John D. Reiersen, Principal Examiner  
New York State Insurance Department  
Two World Trade Center Rm. 8051  
New York, New York 10047  
Phone Number 212-488-6834

Attachments (2)

Very truly yours,

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance

ATTACHMENT

COMPANY LETTERHEAD  
(including address)

RECEIPT FOR RELEASE OF VEHICLE

CLAIM # \_\_\_\_\_ INSURED \_\_\_\_\_

VEHICLE \_\_\_\_\_ VIN#:

VOUCHER# \_\_\_\_\_ (if Known)

TO WHOM IT MAY CONCERN:

THIS LETTER HEREBY AUTHORIZES THE BEARER OR \_\_\_\_\_ TO OBTAIN A RELEASE OF THE ABOVE VEHICLE. THIS COMPANY HEREBY CERTIFIES THAT IT IS THE INSURER OF THE ABOVE VEHICLE, FOR COMPREHENSIVE (THEFT) INSURANCE AND PURSUANT TO THE PROVISIONS OF SECTION 167-e OF THE INSURANCE LAW IS AUTHORIZED TO TAKE CUSTODY OF THE VEHICLE FOR SAFEKEEPING.

VERY TRULY YOURS

\_\_\_\_\_

SUBSCRIBED BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 19 \_\_\_\_\_,

NOTARY PUBLIC \_\_\_\_\_

IF YOU HAVE ANY QUESTIONS RE THIS AUTHORIZATION YOU MAY CONTACT \_\_\_\_\_ AT \_\_\_\_\_ FOR VERIFICATION.

TELEPHONE NUMBER

INTERIM ORDER NO. 25-2

POLICE DEPARTMENT  
CITY OF NEW YORK

October 12, 1979

TO ALL COMMANDS:

Subject: ROTATION TOWING PROGRAM

1. Pursuant to the New York State Insurance Law, insurance carriers providing collision/comprehensive (fire and theft) coverage on recovered stolen/abandoned vehicles are authorized to take custody of such vehicles for safekeeping. An insurance company representative will no longer be required to present an "AUTHORIZATION TO RELEASE", signed by the vehicle owner, to obtain custody of the vehicle.

2. Effective 0001 hours, October 15, 1979, Rotation Towing Companies are authorized to release such vehicles to insurance company representatives upon presentation of a "RECEIPT FOR RELEASE OF VEHICLE" on the letterhead of the insurance company concerned, signed by an official of the company and notarized.

3. Accordingly, step 24, subdivision "a" of Interim Order 25, c.s., issued June 28, 1979, is amended to read:

24.

a. Insurance carrier representative seeking release of vehicle MUST present to tow operator, a signed, notarized "RECEIPT FOR RELEASE OF VEHICLE" on company letterhead.

4. Any provisions of the Department Manual or other directives of this Department in conflict with this order are suspended.

BY DIRECTION OF THE POLICE COMMISSIONER

DISTRIBUTION:

All Commands