

July 16, 1980

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 8 (1980)

July 16, 1980

TO: ALL INSURERS AUTHORIZED TO WRITE PHYSICAL DAMAGE AUTOMOBILE INSURANCE ON PRIVATE PASSENGER AUTOMOBILES

SUBJECT: CHAPTER 692 OF THE LAWS OF 1979 RELATING TO INSURANCE PREMIUM DISCOUNTS FOR AUTOMOBILE ANTI-THEFT DEVICES

Chapter 692 of the Laws of 1979 amended Section 167-d(12) of the Insurance Law to require that automobile insurers provide no later than August 1, 1980 an appropriate discount to motorists whose cars are equipped with anti-theft devices. The law was designed to reflect the reduced exposure to loss from motor vehicle theft, due to effective anti-theft devices, on policies which cover fire and theft or comprehensive physical damage insurance.

For the purpose of implementing this statute, every authorized insurer writing private passenger automobile physical damage insurance in this State is required to have on file with this Department a rule in its automobile insurance manual to be effective no later than August 1, 1980 providing discounts which vary with the degree of the effectiveness of the respective anti-theft devices. Such rules should provide for minimum discounts of 5% for "Active Disabling Devices" and 10% for "Passive Disabling Devices". Where, however, an insurer can demonstrate that the adoption of these minimum reductions would result in an inappropriate rate it may file different percentages, provided that information is submitted in support thereof.

It should be noted that the Insurance Services Office (I.S.O.) has recommended rules providing discounts for anti-theft devices that exceed the aforementioned minimums which have been found acceptable to the Insurance Department.

In order to ensure that there is wide dissemination of the provisions of this law, insurers should include with their new and renewal policies, at the earliest possible date, information in easily understandable language describing the availability of the anti-theft premium reductions.

In those instances that insureds are provided premium reductions because of the installation of effective anti-theft devices, such reduction shall be indicated on the rating information form, the declarations page, premium bill or other appropriate notice furnished to the insured.

Kindly acknowledge receipt of this Circular Letter to:

Henry Bergens
Principal Insurance Examiner
Property and Casualty Insurance Bureau
80th Floor

Two World Trade Center
New York, NY 10047

ALBERT B. LEWIS

[SIGNATURE]

SUPERINTENDENT OF INSURANCE