

November 12, 1981

SUBJECT: INSURANCE

Second Amendment to Circular Letter No. 1(1980)

TO: ALL INSURERS LICENSED TO WRITE AUTOMOBILE INSURANCE IN NEW YORK STATE

RE: Chapters 685 of the Laws of 1979 and 265 of the Laws of 1980: Motor Vehicle Liability Insurance Premium Reduction for Completion of Accident Prevention Course. Insurance Law Section 176(7)

Circular Letter No. 1, dated January 4, 1980 and the March 17, 1980 amendment to Circular Letter No. 1, described the provisions of L. 1979, ch. 685, which added a new Section 176(7) to the Insurance Law requiring motor vehicle liability insurers to provide premium reductions on the liability base rate for insureds who successfully completed "a motor vehicle accident prevention course known as the defensive driving course, administered by the national safety council". Subsequently, Chapter 265 of the Laws of 1980 amended Section 176(7) to empower the Department of Motor Vehicles ("D.M.V.") to approve additional motor vehicle accident prevention courses whose completion would also qualify insureds for premium reduction.

D.M.V. has to date approved four courses which are available to the general public and six limited to law enforcement and other specialized personnel. On August 27, 1981 D.M.V. mailed a letter to all insurers, which you should have received by this date, providing details of the accident prevention program and annexing the names, addresses and telephone numbers of approved accident prevention courses. Every insurer should furnish appropriate company personnel, agents, and brokers whose automobile business is written through the insurer with this information so they may intelligently advise insureds and applicants concerning the program. Manual rules, concerning the discount, which presently single out the National Safety Council's Defensive Driving Course or any other specific accident prevention course should be amended (unless all D.M.V. approved courses are named). It is recommended that the amended rule state that the discount is available if the principal operator of the motor vehicle has successfully completed any motor vehicle accident prevention course approved by the Department of Motor Vehicles pursuant to Section 176(7) of the Insurance Law.

Circular Letter No. 1 (January 4, 1980) required that:

"Beginning with the effective date [as described on page 1 of Circular Letter No. 1 (January 4, 1980)] of an insurer's accident prevention/premium reduction program, the insurer shall provide all newly written insureds, and all other insureds no later than their next renewal, with complete and easily understandable information describing the availability of an accident prevention course and the premium reduction resulting from successful completion of such a course."

You are directed to amend the literature which you furnish to insureds so as to include the names, addresses, and telephone numbers of the organizations sponsoring the ten courses described in the August 27, 1981 letter sent to you by the Motor Vehicles Department. The literature should not give prominence to any one approved course. Manual rules which presently mention the National Safety Council's Defensive Driving Course or any other driver improvement course should be amended accordingly by an appropriate rules revision filing to the Insurance Department.

Beginning February 1, 1982 you must furnish such amended literature to newly written insureds no later than with

the delivery of their insurance policies. You must furnish such amended literature to other insureds with the next mailing or billing notice sent to them on or after March 1, 1982. Copies of Circular Letter No. 1 and its amendment are attached to this second amendment for your convenience.

D.M.V. will keep automobile insurers advised of additions and deletions to the accident prevention course program and the required notices to insureds should be amended at least annually. It is suggested that any inquiries to D.M.V. on the subject be directed to:

New York State Department of Motor Vehicles
Division of Safety Program Coordination
Empire State Plaza
Albany, New York 12228
Telephone: (518) 474-0883

Please acknowledge receipt of this letter to:

Mr. Arthur Reznik, Room 2660
Property and Casualty Insurance Bureau
New York State Insurance Department
2 World Trade Center
New York, New York 10047

Very truly yours,

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance

Attachments