

December 23, 1987

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 20 (1987)

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

RE: CHAPTER 282 OF THE LAWS OF 1987 MOTOR VEHICLE COLLISION INSURANCE PREMIUM REDUCTION FOR COMPLETION OF AN ACCIDENT PREVENTION COURSE

Pursuant to Circular Letter No. 1(1980), the First Amendment thereto of March 17, 1980, and the Second Amendment thereto of November 12, 1981, automobile insurers in New York are providing 10% or other appropriate discounts to automobile liability and no-fault premiums for those insureds who have successfully completed accident prevention courses enumerated in Circular Letter No. 23(1986) and other specially designated courses.

Chapter 282 of the Laws of 1987 amended Section 2336 of the Insurance Law to now require insurers to make the reduction applicable to collision premiums as well as to liability and no-fault premiums. The statute provides for the additional discount for eligible insureds to take effect January 1, 1988 and shall apply to policies written or renewed on or after that date.

The law requires:

1. If the principal operator(s) of a motor vehicle has successfully completed an approved accident course, then the insurer of such motor vehicle shall, for a period of three full years following completion of the course, reduce the collision premium of the insured by no less than ten (10) percent.

2. If the discount was being applied to the liability coverages prior to January 1, 1988, the collision discount shall be applied to the remainder of the three year period, if any, commencing 'on the ensuing renewal date in 1988.

3. Insurers which have not already done so are required to file amended rules reflecting this change. They should be submitted to:

Arthur Reznik, Associate Insurance Examiner

New York State Insurance Department

160 West Broadway

New York, New York 10013

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance