

August 14, 1989

SUBJECT: INSURANCE

Circular Letter No. 10 (1989)

August 14, 1989

TO: ALL INSURERS WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NEW YORK

RE: SECTION 3425 REPORT IN RELATION TO NEWLY ISSUED POLICIES & NONRENEWALS

Circular Letters No. 4 (1986) and No. 7 (1987) instructed all licensed insurers writing private passenger automobile insurance in New York, excluding assigned risk policies, to file certain statistical reports on rating territories, primary driver classifications, new insureds and nonrenewals. The later letter changed the previous quarterly filing requirement to an annual submission, effective March 1, 1988.

Chapter 235 of the Laws of 1989, effective July 1, 1989, amends Section 3425(f)(2), which now reads:

For every two new automobile policies which the insurer voluntarily writes in each such territory, such insurer shall be permitted to non-renew or conditionally renew one additional automobile policy in that territory in excess of the two percent limit established in paragraph one of this subsection, subject to a fair and nondiscriminatory formula developed by the superintendent, which shall consider the number of automobile policies written less cancellations initiated by the insurer within the first sixty days of the policy period.

This change conforms the "2-for-1" rule in § 3425(f)(2) with the companion "2 percent" rule in § 3425(f)(1), by requiring insurers to act, and uniformly report, on the basis of automobile policies, rather than automobiles.

Insurers that had in-force private passenger automobile insurance policies for New York insureds as of January 1, 1989 should incorporate this change into the statutory statistical analysis due March 1, 1990.

All figures for calendar year 1989 should be reported on this new basis, in Column G of EXHIBIT ONE to Circular Letter No. 4 (1986), for the first six months of 1989. Thus Column G of the annexed EXHIBIT ONE, as revised, now represents "NO. OF NEW POLICIES", not "NO. OF NEW AUTOS". The second calculation and Note G are similarly affected.

Please distribute a copy of this Circular Letter to the appropriate company personnel, and acknowledge in writing its receipt and company adherence to this change to:

Stuart Meislick
Senior Examiner
Property & Casualty Insurance Bureau
160 West Broadway -- 13th Floor
New York, New York 10013

If there are any questions, Mr. Meislick may be contacted at (212) 602-0341.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

SUPERINTENDENT OF INSURANCE

[ATTACHMENT: Revised Exhibit One]

SECTION 3425(f) [ILLEGIBLE WORDS]MPLIANCE

EXHIBIT ONE

COMPANY NAME _____ NAIC NUMBER _____ CALENDAR YEAR 19__

TERRITORY: ISO TERRITORIAL CODE:

PRIVATE PASSENGER AUTOMOBILE

PRIVATE PASSENGER AUTOMOBILE

Col. (A)	Col. (B)	Col. (C)	Col. (D)
OPENING	NEW	CANCELLED	NON-RENEWED
IN-FORCE	BUS.	BY COM-PANY	BY COMPANY

CLASSES (PRIMARY)

Adult
Senior Citizen
Youthful Male
Youthful Female
All Other

Totals

EXHIBIT NOTES:

A. OPENING IN-FORCE: Number of policies in effect as of January 1 of the current year.

B. NEW BUSINESS: Number of new policies not cancelled in the first 60 days.

C. CANCELLED BY COMPANY: Number of

PRIVATE PASSENGER AUTOMOBILE

Col. (A)	Col. (B)	Col. (C)	Col. (D)
OPENING	NEW	CANCELLED	NON-RENEWED
IN-FORCE	BUS.	BY COM-PANY	BY COMPANY

policies cancelled by the insurer
after the first 60 days.

D. NON-RENEWED BY COMPANY: Number
of policies non-renewed, including
conditional renewals.

E. TERMINATIONS BY INSUREDS: Number
of policies non-renewed or cancelled
by the insured.

F. ENDING IN-FORCE: Number of
policies in effect at the end
of the year.

G. NO. OF NEW POLICIES: Number of
new policies not cancelled in
the first 60 days.

- | | |
|---------------------------|------------|
| 1. Raw X: (2% Limitation) | Column D = |
| | Column A |
| 2. Total Additional | Column G = |
| Policies Allowable: | 2 |