

April 8, 1991

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 9 (1991)

TO: ALL AUTHORIZED AUTO INSURERS IN THIS STATE AND INSURANCE PRODUCER ORGANIZATIONS

RE: MOTOR VEHICLE INSURANCE POLICIES COVERING TAXIS, LIVERIES, BUSES AND RENTAL VEHICLES

Historically, in New York, vehicle registrations for taxis, liveries, buses and rental vehicles all expire simultaneously at year-end and, therefore, must be renewed all at once before, year-end. Commencing June 1, 1991, the Department of Motor Vehicles (DMV) is changing registration expiration dates for these types of vehicles, from December 31st, to February 28th (whether or not a leap year) or September 30th, depending upon type of vehicle.

We urge motor vehicle insurers to anticipate this major change, and to cooperate with the Commissioner of Motor Vehicles in implementing it. Once this change is implemented, administrative burdens should be eased for all involved.

This change in registration timing will affect those insurers that write policies covering these vehicles, given DMV's continuing requirement that insurance coverage be coterminous with the registration period. The move to new expiration dates for vehicle registration will necessitate, for conversion purposes, the one-time issuance of coverage for a policy period shorter than the usual twelve months or longer up to fourteen months.

Such transitional policies, with policy periods shorter or longer than one year, to achieve coterminality are now contemplated under Section 3426 of the Insurance Law. Of course, the premium should be commensurate with the longer or shorter policy period.

The DMV schedule is as follows:

#### Buses, Taxis and Liveries

\* Vehicles registered for the first time (original registrations) between June 1, 1991 and January 31, 1992 will receive a registration expiring February 28, 1992. Originals issued in February 1992 can expire February 28, 1992 or February 28, 1993 whichever date the customer prefers.

\* Vehicles that have a December 31, 1991 expiration will be renewed with a February 28, 1993 expiration date, yielding a transitional registration period of 14 months.

\* After this conversion period, registrations and insurance policies will again be valid for a twelve-month period, ending every February 28. E8B28C494EDF40CF69421

#### Rental Vehicles

. Original Registrations issued from June 1, 1991 through August 31, 1991 will receive a a prorated registration expiring September 30, 1991. Originals issued in September 1991 can expire on September 30, 1991 or September 30, 1992 -- whichever date the customer prefers.

. Vehicles expiring December 31, 1991 will be renewed for a nine-month period, expiring September 30, 1992.

. After this conversion period, the registrations and insurance policies will again be valid for a twelve-month period, ending every September 30.

Filed rates in effect on the policy effective date should be applied, with resulting premiums prorated for the appropriate policy term.

Please direct any questions regarding the new registration periods to Heather Rhoads (518-474-0621) at DMV. Any insurance-related questions about this change should be directed to Stephen R. Solomon (212-602-0337), Principal Insurance Examiner, Property & Casualty Insurance Bureau, at the Insurance Department.

Very truly yours,

[SIGNATURE]

SALVATORE R. CURIALE

SUPERINTENDENT OR INSURANCE