

May 5, 1992

SUBJECT: INSURANCE

Circular Letter No. 5 (1992)

May 5, 1992

To: All Insurance Companies Authorized to Transact Motor Vehicle Liability. Insurance Business in New York State

RE: Motor Vehicle Law Enforcement Fee

Section 386 of Chapter 55, Laws of 1992 amends the Insurance Law by adding new Section 9110, entitled Motor Vehicle Law Enforcement Fee.

This new section requires every insurance company authorized to do business in this state to charge and collect an annual motor vehicle law enforcement fee from each holder of a policy issued or renewed with an effective date on or after July 1, 1992, in this state, or for delivery in this state, for motor vehicle liability insurance coverage.

The annual fee is imposed at the rate of one dollar for each insured vehicle registered pursuant to the provisions of paragraph (b) of subdivision one of Section four hundred one of the New York State Vehicle and Traffic Law. Such fee shall be remitted monthly with form TA016 4/92 (attached) by insurance companies to the Superintendent of Insurance on or before the fifteenth of the month next succeeding the month in which such collections are received.

Vehicles excluded from the fee are:

- motorcycles
- electrically-driven mobility assistance devices operated or driven by a person with a disability
- vehicles which run only upon rails or tracks
- snowmobiles and all terrain vehicles as described in Articles fortyseven and fortyeight B of the Vehicle and Traffic Law
- fire and police vehicles other than ambulances
- farm-type tractors and all terrain type vehicles used exclusively for agricultural (purposes), or for snow plowing (other than for hire)
- farm equipment, including self-propelled machines used exclusively in growing, harvesting or handling produce
- self-propelled caterpillar or crawler-type equipment while being operated on the contract site.

The purposes for which the fee is to be expended are dependent upon the type of insured vehicle for which the fee is collected. In submitting the monthly payment to the Superintendent, each insurer must report the total of all monies collected from policyholders on private passenger motor vehicles subject to the provisions of paragraph (a) of subdivision six of Section four hundred one of the Vehicle and Traffic Law and a separate total of all monies collected from policyholders on all other vehicles. Motor vehicles not subject to paragraph (a) include ambulances; motor vehicles owned or controlled by governmental entities; auto trucks and light delivery cars; tractors; buses; taxicabs and liveries; hearses; historical motor vehicles; trailers; semitrailers; coach or house trailers; and certain other motor vehicles as described in the aforementioned subdivision 6.

On or before the fifteenth day of February of each year, every insurer required to collect the fee must file an annual statement with the Superintendent, on a form to be furnished by the Superintendent, reporting the number and the fees collected, during the immediately preceding year applicable to private passenger motor vehicles and all other vehicles, separately.

To clarify specific issues:

- For policies issued for less than a year, the first collection shall begin with the first policy on its annual anniversary date or renewal date on or after July 1, 1992, whichever is earlier.
- For vehicles added or replaced on or after July 1, 1992, on policies with an effective date prior to July 1, 1992, the fee shall be charged on the next renewal date.
- The fee should be billed for any new vehicle resulting from either an addition to an existing policy or a change or replacement of vehicles on an existing policy with an effective date after July 1, 1992 at the time of such addition or replacement.
- For any possible multi-year policies, the annual fee shall be charged on the next and subsequent anniversary date on or after July 1, 1992.
- The fee shall be charged to the policyholder, and may not be calculated in rate filings.
- There shall be no refund of the fee for vehicles eliminated from the policy.
- The fee should be shown and separately identified either on a premium billing, or the declarations page of the policy, or in a separate written communication to the policyholder.
- The insurance company records should be maintained in such a manner that amounts billed and collected from each policyholder can be identified.
- There shall be no commission earned on the fee.
- The fee is not subject to premium tax.
- The refund of a fee by an insurer shall be made only if the policy for which it is received is cancelled without having become effective.

The first payment of the fee to the Superintendent is due August 15, 1992, for the monies collected for the month of July 1992. In lieu of reporting and paying the fee on a collected basis, insurance companies may remit and report on a written basis. Forms for reporting and submitting the payment of the fee are attached and may be reproduced as necessary.

Please acknowledge receipt of this letter and refer any related questions to:

Mr. Frank D'Amico  
Director of Taxes and Accounts  
New York State Insurance Department  
Governor Nelson A. Rockefeller Plaza  
Agency Building One  
Albany, New York 12257

Telephone No. (518) 474-8567

Very truly yours,

[SIGNATURE]

Salvatore R. Curiale

Superintendent of Insurance

ATTACHMENT

MOTOR VEHICLE LAW ENFORCEMENT FEE OF THE STATE OF NEW YORK

RETURN for the month of \_\_\_\_\_, 199\_\_ made in accordance with Section 386 of Chapter 55, Laws of 1992.

\_\_\_\_\_  
NAIC Company Code

\_\_\_\_\_  
Name of Insurance Company

\_\_\_\_\_  
Mailing Address  
\_\_\_\_\_  
\_\_\_\_\_

As prescribed by the above mentioned Section 386 an annual motor vehicle law enforcement fee of \$ 1.00 must be collected for each insured vehicle registered pursuant to the provisions of paragraph (b) of subdivision one of Section four hundred one of the New York State Vehicle and Traffic Law. Excluded from the fee are motorcycles, electrically-driven mobility assistance devices operated or driven by a person with a disability, vehicles which run only upon rails or tracks, snowmobiles and all terrain vehicles as described in Articles fortyseven and fortyeight B of the Vehicle and Traffic Law, fire and police vehicles (other than ambulances), farm-type tractors and all terrain type vehicles used exclusively for agricultural or for snow plowing (other than for hire), farm equipment including self-propelled machines used exclusively in growing, harvesting or handling produce, and self-propelled caterpillar or crawler-type equipment while being operated on the contract site.

List below, as separate totals, monies due from policyholders of motor vehicle liability insurance on motor vehicles subject to the provisions of paragraph (a) of subdivision six of Section four hundred one of the Vehicle and Traffic Law and monies due on all other motor vehicles.

Indicate basis on which the return is being submitted.  
Written  Collected

1. Motor Vehicles subject to Paragraph (a) \$ \_\_\_\_\_

2. Motor Vehicles not subject to Paragraph (a), including ambulances, motor vehicles owned or operated by governmental entities, auto trucks and light delivery cars, tractors, buses, taxicabs and livery, hearses, historical motor vehicles, trailers, semitrailers, coach or house trailers, and certain other motor vehicles described in subdivision six of Section four hundred one of the Vehicle and Traffic Law. \$ \_\_\_\_\_

Total Amount Due \$ \_\_\_\_\_\*

\*Check for amount due should accompany return and be made payable to the Superintendent of Insurance.

CERTIFICATION OF ELECTED OFFICER OF THE CORPORATION

I hereby certify that this report is, to the best of my knowledge and belief, a true, correct and complete report.

\_\_\_\_\_

(Signature of Officer)

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(Title)

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(Date)

TA016 4/92