



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

NOTE: WITHDRAWN EFFECTIVE DECEMBER 4, 2003

**Circular Letter No. 20 (2000)
June 14, 2000**

TO: All Motor Vehicle Self-insurers and Insurers Licensed to Write Motor Vehicle Insurance in New York State

RE: Insurance Department Regulation 68 Lawsuit

Last year, the Insurance Department promulgated a revision to Insurance Department Regulation 68, the regulation that implements New York's No-Fault law. This revision, which took effect on February 1, 2000, made adjustments to the manner in which No-Fault claims are presented and processed in order to address practices that have resulted in fraud and abuse in the New York automobile insurance marketplace. The revision to Regulation 68 reflects the Department's commitment to addressing the abusive practices and fraud that threaten the viability of New York's No-Fault motor vehicle reparations system.

On June 9, 2000 Justice Phyllis Gangel-Jacob of the New York State Supreme Court issued an order and memorandum decision which declared the recent amendments to Regulation 68 "... null and void as contrary to law and lawful procedure, and their promulgation in violation of the State Administrative Procedures Act was unlawful, arbitrary, capricious and an abuse of discretion..." The order and memorandum decision were entered in the New York County Clerk's office on June 13, 2000 and service of copies thereof with notice of entry was made upon the Attorney General's office on the same day.

The Department is disappointed in the Justice's conclusion and has filed a notice of appeal. The filing of the notice of appeal stays the effect of the lower Court's order as a matter of law. As a result of the stay, the revisions to Regulation 68 remain in effect.

Please acknowledge receipt of this circular letter, no later than June 30, 2000, to:

Ms. Hoda Nairooz
Senior Examiner
Property Bureau
New York State Insurance Department
25 Beaver Street
New York, New York 10004

Any question regarding this Circular Letter should be directed to Ms. Nairooz at (212) 480-5662.

Very truly yours,

Mark Presser
Assistant Deputy Superintendent & Chief
Property Bureau