



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

NOTE: WITHDRAWN EFFECTIVE DECEMBER 4, 2003

**Circular Letter No. 24 (2001)
August 31, 2001**

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

RE: Insurance Department Regulation 68 Lawsuit

The Insurance Department has promulgated a revision to Insurance Department Regulation 68, the regulation that implements New York's No-Fault law. This revision, which takes effect on September 1, 2001, makes 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 August 29, 2001, various plaintiffs filed a lawsuit in the New York State Supreme Court seeking a stay of enforcement of the revised regulation. On August 31, 2001, Justice Alice Schlesinger granted a temporary stay of the revised regulation. Subsequently, the Insurance Department filed a Notice of Appeal in the Appellate Division, First Department and served such notice on plaintiffs. The Office of Attorney General has advised the Insurance Department that, pursuant to CPLR Section 5519(a)(1), an immediate stay of Justice Schlesinger's order is in effect.

Accordingly, the revisions to Regulation 68 will become effective September 1, 2001.

Very truly yours,

Audrey M. Samers
Deputy Superintendent & General Counsel