



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

George E. Pataki
Governor

Gregory V. Serio
Superintendent

**Supplement No. 1 to
Circular Letter No. 10 (2003)
August 7, 2003**

**TO: ALL INSURANCE COMPANIES AUTHORIZED TO TRANSACT MOTOR VEHICLE LIABILITY
INSURANCE BUSINESS IN NEW YORK**

RE: MOTOR VEHICLE LAW ENFORCEMENT FEE

STATUTORY REFERENCE: INSURANCE LAW SECTION 9110

[Circular Letter No. 10](#), issued May 30, 2003, provided insurers with information on the increase to the Motor Vehicle Law Enforcement fee from an annual fee of one dollar (\$1) to five dollars (\$5) effective June 1, 2003. After the circular letter was issued, the Department received inquiries from insurers concerning the implementation of the fee increase. The purpose of this Supplement is to provide additional guidance to insurers clarifying certain issues that have been raised.

The Legislature recently amended Section 9110 of the New York State Insurance Law, entitled Motor Vehicle Law Enforcement Fee. This amendment is effective June 1, 2003.

This 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 now imposed at the rate of five dollars (\$5) for each insured vehicle registered pursuant to the provisions of paragraph (b) of subdivision 1 of Section 401 of the New York State Vehicle and Traffic Law. Such fee shall be remitted monthly with form TA016 6/03 (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 forty-seven and forty-eight 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 6 of Section 401 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 or renewed on or after June 1, 2003, the five dollar (\$5) fee will be collected at the time the policy is issued or renewed. For those policies issued or renewed prior to June 1, 2003, the five dollar (\$5) fee will be collected on the policy's next annual anniversary date.
- For vehicles added or replaced on or after June 1, 2003, regardless of the policy's effective date, the five dollar (\$5) fee will be collected at the time the vehicle is added or replaced to the policy. It is the date that the vehicle is added to the policy that is controlling, not the effective date of the policy.
- For any possible multi-year policies, the annual five dollar (\$5) fee shall be charged on the next and subsequent anniversary date on or after June 1, 2003.
- 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.

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 or are available at the Department's website at: www.ins.state.ny.us. The forms may be reproduced as necessary.

The Department has also prepared responses to [frequently asked questions](#) which should provide further assistance to insurers.

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

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Very truly yours,

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Superintendent of Insurance