



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

George E. Pataki  
Governor

Howard Mills  
Acting Superintendent

**Circular Letter No. 3 (2005)  
March 10, 2005**

**TO: All motor vehicle automobile self-insurers, and insurers licensed to write motor vehicle liability insurance in New York State**

**SUBJECT: A) Withdrawal of three circular letters;  
B) Imposition of interest on certain unpaid assessments billed to self-insurers and insurers for the funding of the No-Fault and Supplementary Uninsured Motorist Arbitration programs**

**STATUTORY REFERENCE: Insurance Law Sections 3412 and 5106**

The purpose of this circular letter is to advise self-insurers and insurers that the Insurance Department is hereby withdrawing three circular letters and to make self-insurers and insurers aware of the imposition of interest charges on certain unpaid No-Fault and Supplementary Uninsured Motorist arbitration assessments.

**1. A) Withdrawal of three circular letters:**

Circular Letter No. 4 (1992); Circular Letter No. 30 (1999);  
and Supplement No. 1 to Circular Letter No. 30 (1999)

1. Circular Letter No. 4 (1992) entitled, "1) Unpaid No-Fault Conciliations and Arbitration Awards and 2) Change in Central Reporting Organization for Total Losses"

This circular letter served two purposes. The first was to advise of the actions that are taken by the Department when self-insurers and insurers, as a result of any conciliation agreement or an arbitration award issued by a New York No-Fault arbitrator during the arbitration process, fail to make payment within 30 days of the date the agreement/arbitration award was mailed to the parties. Current information concerning this subject may be found on the Department's web site at [www.ins.state.ny.us/r68\\_link.htm](http://www.ins.state.ny.us/r68_link.htm) in the "About No-Fault Insurance" topic of the Consumer Frequently Asked Questions section. The second purpose was to advise insurers that the National Insurance Crime Bureau had been designated as the central organization for insurers to report certain motor vehicle insurance claims. This is no longer the case, pursuant to the Eleventh Amendment to Regulation No. 64 (11 NYCRR 216).

2. Circular Letter No. 30 (1999) entitled, "Transfer of the No-Fault conciliation function to the American Arbitration Association"

3. Supplement No. 1 to Circular Letter No. 30 (1999)

entitled, " Designation of a Contact Person Concerning Assessments for Conciliation and Arbitration"

Circular Letter No. 30 (1999) has been rendered obsolete by subsequent events, including the issuance of Circular Letter No. 36 (2001), entitled " No-Fault Arbitration Reform and Submission of an Action Plan for No-Fault Conciliation and Arbitration." With respect to Supplement No.1, the current information for self-insurers and insurers to make arrangements for payments of unpaid No-Fault and Supplementary Uninsured Motorist arbitration assessments is to contact Carol Briguglio (917-438-1537 or briguglioc@adr.org) at the American Arbitration Association (AAA).

**B) Imposition of Interest Charges on Certain Unpaid Assessments Billed to Self-Insurers and Insurers for the Funding of the No-Fault and Supplementary Uninsured Motorist Arbitration Programs**

Beginning January 26, 2005, the AAA, based on the recommendation and authorization of the No-Fault and Supplementary Uninsured Motorist Optional Arbitration Advisory Committees, has been imposing an interest charge, at prime rate plus 1%, for all assessment charges that are unpaid for more than 90 days, i.e., interest began accruing on January 26, 2005 on any amounts that were outstanding as of October 2004. Interest collected will be used to reduce current year system operating costs.

If you have any comments or questions regarding the contents of this circular letter please contact:

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Very truly yours,

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