

January 5, 1966

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter 1 (1966)

TO: ALL AUTHORIZED INSURERS WRITING AUTOMOBILE INSURANCE IN THE STATE OF NEW YORK

The National Bureau of Casualty Underwriters  
The Mutual Insurance Rating Bureau  
National Automobile Underwriters Association

Since the Safe Driver Insurance Plan was first introduced in 1961, there has been a further sharp increase in the cost of automobile parts and repairs, such increase generally reflecting not only the indicated decline in the purchasing power of the dollar, but also more expensive motor vehicle design and more complicated mechanical equipment. Moreover, this Department has received numerous complaints concerning inequities resulting from the provision in the Plan which provides for surcharges for accidents resulting from property damage in excess of the relatively low amount of \$ 50.

Accordingly, all insurance companies using the Safe Driver Insurance Plan, or any similar plan which classifies risks for rating purposes in accordance with their past driving records, are hereby directed to take appropriate steps to amend their manual rules effective not later than July 1, 1966, to provide that an accident which does not result in bodily injury or death or in damage either to the insured's property in excess of \$ 100 or to any property of others in excess of \$ 100, shall not result in the assignment of points or in any surcharge under the rules of the Plan.

This directive is not intended to apply to those insurers whose current manual rules already contain such a provision.

Please acknowledge receipt of this letter.

[SIGNATURE]

First Deputy Superintendent