

March 22, 1984

SUBJECT: INSURANCE

Circular Letter No. 6 (1984)

TO: ALL INSURERS LICENSED TO WRITE AUTOMOBILE INSURANCE IN NEW YORK

RE: SUBMISSION OF MOTORCYCLE RATE FILINGS

Since 1974, when the no-fault insurance law was enacted, insurers writing motorcycle insurance in New York have filed their rates for approval by the Insurance Department pursuant to Section 677(3) of the Insurance Law. This subdivision states in pertinent part:

"...no changes in such rates...shall be made effective until they have been approved by the superintendent... The provisions of this subdivision shall be applicable only to policies covering losses or liabilities arising out of ownership, operation, or use of a motor vehicle: (a) predominantly used for nonbusiness purposes, when a natural person is the named insured under a policy of automobile insurance; or (b) used principally for the transportation of persons for hire, including a bus or school bus as defined in Sections one hundred four and one hundred forty-two of the vehicle and traffic law."  
(emphasis added)

The Department has concluded that motorcycle insurance rates are not subject to the prior approval requirements of the law. The basis for this conclusion is that Section 677(3) of the law requires prior approval only for "motor vehicles" as defined in Section 671(6), which definition excludes motorcycles. This latter subdivision states:

"'Motor vehicle' shall have the meaning ascribed in section three hundred eleven of the vehicle and traffic law, except that (a) it shall also include fire and police vehicles, and (b) it shall not include any motor vehicle not required to carry financial security pursuant to article six, eight, or forty-eight-A of the vehicle and traffic law or a motorcycle, as such term is defined in subdivision eleven of this section."  
(emphasis added)

Accordingly, prior approval of motorcycle insurance rates is not required under Section 677(3) nor under any other section of the Insurance Law.

Insurers submitting changes in motorcycle rates and rating rules are subject to the requirements of Article VII-A (Section 178(2)) of the Insurance Law. Such rating changes are furnished to the Insurance Department as described in Circular Letter No. 8 (1977).

Acknowledgement of receipt of this letter should be sent to:

Mr. Martin Ballot, Supervising Examiner  
Property and Casualty Insurance Bureau  
New York State Insurance Department  
2 World Trade Center

New York, New York 10047

Very truly yours,

[SIGNATURE]

James P. Corcoran

Superintendent of Insurance