

May 1, 1990

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 5 (1990)

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

RE: "STEERING" MOTOR VEHICLE COMPREHENSIVE AND COLLISION CLAIMANTS TO PARTICULAR REPAIR FACILITIES

This Circular is a reminder to all insurers writing motor vehicle, comprehensive and collision insurance that Section 2610 of the Insurance Law prohibits company claims adjusters, agents or any other company personnel from recommending or suggesting automobile repairs be made in a particular place, shop or concern, unless the insured expressly requests a referral. However, the prohibition against "steering" a claimant to a particular repair facility does not apply to a claim solely involving window glass.

Insurance Department Regulation No. 64 (11 NYCRR 216) sets forth insurers obligations in complying with the Law. Forms NYD APD 1 (NOTICE OF RIGHTS UNDER YOUR PHYSICAL DAMAGE INSURANCE) and NYS APD 1-a (SECTION 2610 OF THE INSURANCE LAW - DISCLOSURE STATEMENT) are prescribed for use in implementing the requirements of the statute.

Violations of the foregoing requirements would be considered unfair claims settlement practices and subject to disciplinary action pursuant to Section 2601 of the Insurance Law.

Any questions' regarding this Circular Letter may be directed to the attention of:

Alvin Kaufman, Senior Examiner

Property & Casualty Insurance Bureau

New York State Insurance Department

160 West Broadway

New York, New York 10013

212-602-0352

Very truly yours,

[SIGNATURE]

WENDY E. COOPER

ACTING SUPERINTENDENT OF INSURANCE