



**STATE OF NEW YORK
INSURANCE DEPARTMENT
160 WEST BROADWAY
NEW YORK, NEW YORK 10013**

**Circular Letter No. 20 (1995)
December 29, 1995**

TO: All Insurers Licensed to Write Motor Vehicle Insurance in New York State, All P/C Insurer and Producer Organizations

RE: Liability Coverage on Vehicles Registered and/or Titled in The Name of a Revocable "Living Trust"

This is to alert the insurance community to a recent change in policy by the New York State Department of Motor Vehicles (DMV).

The DMV has received numerous requests to register and title vehicles in the name of a revocable "living trust." DMV has historically refused to title and register vehicles in the name of a revocable "living trust" because the trust can be terminated at any time by the settlor of the trust with the result that the vehicle's ownership will revert to the settlor. If so registered, the termination of a "living trust" could result in a motor vehicle being registered in the name of a non-existent entity, (i.e., the terminated trust) and being covered only by insurance in the name of such non-existent entity, resulting in an uninsured vehicle.

DMV and this Department have been working cooperatively to resolve the concerns about vehicles registered in the name of a revocable "living trust." We have jointly determined that the only way to insure the continuity of ownership and insurance coverage on any vehicles registered in the name of a revocable "living trust" is to require that all such vehicles be registered and insured in the names of both the "living trust" and the settlor of the trust. The registration and title documents and the insurance coverage on such vehicles should include both the Trust and the Settlor as owners.

Therefore, if insurers choose to issue liability policies in the names of both a revocable "living trust" and the Settlor of the Trust, the DMV will accept this for purposes of vehicle registration.

Please direct any questions concerning this Circular Letter to Associate Counsel Rose Marie S. Scrondanus of the Department of Motor Vehicles at (518) 474-0871.