



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

NOTE: WITHDRAWN EFFECTIVE MARCH 10, 2005

**Circular Letter No. 30 (1999)
October 27, 1999**

TO: All Motor Vehicle Self-insurers and Insurers Licensed to Write Motor Vehicle Insurance in New York State

RE: Transfer of the No-Fault conciliation function to the American Arbitration Association

Since 1978, the AAA has, on behalf of the Insurance Department, administered no-fault arbitration cases that have not been resolved through conciliation. Effective December 1, 1999, the AAA will administer the entire arbitration process including cases currently resolved by Insurance Department Arbitration. In addition, the AAA will conciliate disputes filed for arbitration, a function currently being performed by the Department. Cases that cannot be conciliated will be forwarded for arbitration.

As a result, No-fault applicants should receive a speedier resolution of their claims, either through conciliation or arbitration. These changes will be implemented by the promulgation of the [24th Amendment to Insurance Department Regulation 68](#). This amendment will become effective for all arbitrations filed on and after December 1, 1999.

Rather than diminishing its role in the process, the Department will strengthen its regulatory function with respect to compliance with the no-fault law. The Department will conduct intensive training of the AAA staff and will continue to monitor conciliation activity through its oversight of the activities of the AAA. The Department will identify potential problems by analyzing trends via reports to be generated regularly by the AAA on all aspects of the conciliation function, such as provider overcharges and dilatory claims handling by insurers. Staff resources will be freed from file processing functions and will be in a position to focus on insurer compliance and reduction of the systemic costs of the no-fault insurance program, which should ultimately lead to cost savings to New York State's automobile insurance consumers.

In order to properly facilitate the No-Fault conciliation function assumed by the AAA, each self-insurer and insurer must designate, for each claims office used to handle No-Fault claims, a responsible staff member whom the AAA can contact to determine whether the No-Fault dispute for which arbitration has been requested can be resolved without the need for arbitration. The name of the staff member, as well as the address, phone number, fax number and e-mail address (if available) shall be furnished, no later than November 1, 1999, to:

Ms. Florence Peterson
Senior Vice President
American Arbitration Association
335 Madison Avenue
New York, NY 10017-4605

With respect to changes in such designation subsequent to December 1, 1999, self-insurers and insurers shall immediately, in writing, notify:

Ms. Maureen Kurdziel
Vice President
New York No-Fault Conciliation Center
American Arbitration Association
65 Broadway
New York, New York 10005

Please acknowledge receipt of this circular letter, no later than November 1, 1999, to:

Ms. Hoda Nairooz

Senior Examiner
Property Bureau
New York State Insurance Department
25 Beaver Street
New York, New York 10004

Any question regarding this Circular Letter should be directed to Ms. Nairooz at (212) 480-5662.

Very truly yours,

Mark Presser
Assistant Deputy Superintendent
and Chief Property Bureau