



## Reform Auto Photo Inspection Requirement

**ASK:** Please include photo inspection reform in the Senate and Assembly one-house budgets.

### **BILL STATUS:**

- Currently included in Governor's Executive Budget Proposal (TED Bill, part W)
- Passed Assembly (A. 6877) 118-30 in 2022 and Senate (S.6028) 56-7.

### **Assembly Co-Sponsors:**

Donna Lupardo

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John T. McDonald III

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Jo Anne Simon

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### **Senate Co-Sponsors:**

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John W. Mannion

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### **BACKGROUND:**

- Section 3411 of the Insurance Law requires that all motor vehicles must be inspected before comprehensive or collision coverage can be provided.
- The reports require a photo inspection that is conducted by either the agent or broker or a third party company.
- The Governor's budget proposal would allow insurance carriers to waive photo inspections for the next four years.

### **WHY SUPPORT THIS BILL?**

- This law was put in place decades ago, to reduce fraudulent physical damage claims. Since that time, technological advances and new fraud fighting tools have rendered this requirement virtually useless. Insurance companies no longer rely on these inspections and the reports are rarely, if ever used.
- A driver will lose physical damage coverage if the inspection is not completed within a time period specified in the law.

- COVID-19 has highlighted the need to reform the photo inspection law. During the pandemic, customers found it difficult and risky to have a photo inspection conducted. If we are to “build back better,” this antiquated requirement must be removed.
- Notably, John Reiersen, the former Chief Examiner of the Property and Casualty Insurance Bureau and “Father” of the photo inspection law, has opined that the law is no longer effective and should be made optional.
- The inspections are not effective at preventing insurance fraud and theft. According to the National Insurance Crime Bureau, CARCO inspections were used in the recovery of only *six vehicles nationwide in 2021*.