

RULES AND REGULATIONS OF THE STATE OF NEW YORK
TITLE 11. INSURANCE DEPARTMENT
Chapter III — POLICY AND CERTIFICATE PROVISIONS
Subchapter B. Property and Casualty Insurance
Part 67. Mandatory Underwriting Inspection
Requirements for Private Passenger Automobiles
(Regulation 79)

11 NYCRR 67.0 Preamble and plan of operation filing

(a) This Part implements Insurance Law section 3411 by establishing inspection requirements applicable to the issuance and renewal of insurance policies providing private passenger automobile physical damage insurance.

(b) It shall be the responsibility of every insurer that issues and delivers automobile physical damage insurance in this State and of the New York Automobile Insurance Plan ("NYAIP") to establish and maintain inspection procedures that fully comply with section 3411, as implemented by the provisions of this Part. Each such insurer and the NYAIP shall file with the Superintendent of Financial Services a statement describing in detail its plan of operation for establishing and adequately maintaining an inspection system. Any amendments to the plan of operation shall take effect upon filing with the superintendent. Failure to adhere to the provisions of section 3411 and this Part shall subject the violator to the penalty provisions of the Insurance Law, including section 3411(n).

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; Repealed, new filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; amd. 6-1-2013; amd. 8-1-2013; amd. 4-1-2015.

11 NYCRR 67.1 Definitions

As used in Insurance Law section 3411 and this Part:

(a) Private passenger automobile or automobile means an owned or leased motor vehicle as defined in VTL section 125 but shall not include:

(1) an *ambulance* as defined in VTL section 100-b;

- (2) a *fire vehicle* as defined in VTL section 115-a;
- (3) a *motorcycle* as defined in VTL section 123;
- (4) a *livery vehicle* as defined in VTL section 121-e;
- (5) a *police vehicle* as defined in VTL section 132-a;
- (6) a *taxicab* as defined in VTL section 148-a;
- (7) a *farm vehicle* as defined in VTL section 501-a; or
- (8) a motor vehicle weighing more than 6,500 pounds unloaded.

(b) Insured means:

(1) the named insured as specified on the policy declarations page; and

(2) any natural person who is related to the named insured by blood, marriage or adoption (including a ward or foster child), and who regularly resides in the named insured's household, including any such person temporarily living elsewhere.

(c) Automobile physical damage insurance means a motor vehicle insurance policy providing one or more of the following coverages:

(1) collision;

(2) comprehensive; or

(3) fire and theft.

(d) Nonowned automobile means a private passenger automobile, other than a temporary substitute automobile, in the insured's possession that the insured operates but does not own or use regularly.

(e) Temporary substitute automobile means any private passenger automobile that the named insured does not own but that the named insured uses temporarily with the owner's permission, as a substitute for the named insured's automobile when the named insured's automobile is withdrawn from normal use because of breakdown, repair, servicing, loss or destruction.

(f) Proof of mailing means a certificate of mailing, properly endorsed by the United States Postal Service, or any other evidence of mailing, delivery or transmittal whereby the date of the mailing, delivery or transmittal can be independently verified.

(g) Insurer's authorized representative or authorized representative means any individual or legal entity, such as an insurer's employee or an inspection service, designated by the insurer, other than the insured that is properly qualified to perform the automobile inspection services provided for in this Part.

(h) Book of business means all automobile insurance written by an insurance producer with an insurer.

(i) New, unused automobile means a private passenger automobile that:

(1) has not been placed in consumer use;

(2) has not been transferred to someone other than an automobile dealer; and

(3) has less than one thousand miles on the odometer.

(j) Durable medium means a medium for maintaining a record where the properties of such medium provide reasonable assurances against tampering with the information contained in the original and degradation of any reproduction generated, and where the reproduction is an exact copy of the original. The medium may include paper; facsimile; or photographic, micrographic, magnetic, optical, mechanical or electronic media.

(k) New automobile dealer shall have the meaning ascribed by VTL section 415(1)(f);

(l) NYAIP means the New York Automobile Insurance Plan.

(m) VTL means the New York Vehicle and Traffic Law.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; amd. filed June 26, 1980; repealed, new filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; amd. 6-1-2013; amd. 8-1-2013; amd. 4-1-2015.

11 NYCRR 67.2 Mandatory inspection requirement for private passenger automobiles

Except as permitted by section 67.3 or 67.4 of this Part, an insurer shall not issue a new insurance policy or modify an existing insurance policy providing automobile physical damage insurance for a new, additional or replacement private passenger automobile unless the insurer's authorized representative has inspected the automobile.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; repealed, new filed April 15, 1982 eff. June 1, 1982; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.3 Waiver of the mandatory inspection requirement

(a) Mandatory waivers. An insurer shall waive an inspection of:

(1) a temporary substitute automobile; and

(2) an automobile that is leased for less than six months.

(b) Optional waivers. An insurer may waive an inspection:

(1) where an automobile is at least seven model years old on the effective date of automobile physical damage insurance;

(2) where a new, unused automobile is purchased, leased or transferred from a new automobile dealer;

(3) for an additional or replacement automobile, where the named insured has been continuously insured for automobile insurance with the same insurer or another insurer under common control or ownership for at least two years;

(4) where a nonowned automobile is insured under a policy providing automobile physical damage insurance issued by an insurer that has inspected the automobile in accordance with the provisions of this Part;

(5) for an automobile insured under a policy that provides automobile physical damage insurance for five or more automobiles;

(6) where a licensed insurance producer transfers a book of business from one insurer to another insurer or insurers, provided that the named insured elected to transfer coverage to the new insurer from the previous insurer and the previous insurer had inspected the insured automobile in accordance with the provisions of this Part;

(7) when a licensed independent insurance agent transfers an individual named insured's coverage to another insurer, provided that the licensed independent insurance agent represents both insurers, the insured automobile was physically inspected by the previous insurer in accordance with the provisions of this Part and the named insured elected to transfer coverage to the new insurer from the previous insurer;

(8) when one insurer has agreed to accept the majority of another insurer's book of automobile physical damage insurance business covering private passenger automobiles registered in New York State, provided that the named insured elected to transfer coverage to the new insurer from the previous insurer provided that the previous insurer had inspected the insured automobile in accordance with the provisions of this Part and supplies the new insurer with a copy of the inspection report that was completed on its behalf;

(9) where an insurer voluntarily writes a named insured's coverage in accordance with a program approved by the superintendent, which is designed to reduce the number of persons insured through the NYAIP, provided that the insurer assigned by the NYAIP physically inspected the insured automobile in accordance with the provisions of this Part and supplies the new insurer with a copy of the inspection report that was completed on its behalf and the coverage with the new

insurer becomes effective immediately after the termination of coverage with the insurer assigned by the NYAIP;

(10) where an insurer has agreed to write a named insured's private passenger automobile physical damage insurance, which is otherwise terminating with another insurer under common control or ownership and where the terminating insurer inspected the insured automobile in accordance with the provisions of this Part; or

(11) under a new policy, where the named insured's automobile has been continuously insured for automobile physical damage insurance by the insurer issuing the new policy or any other insurer without a lapse in coverage provided that the insurer actually inspected the automobile within the previous two years in accordance with the provisions of this Part.

(c) An insurer shall set forth the procedures for implementing any inspection waiver required or permitted pursuant to this section in the insurer's plan of operations. An insurer shall base the inspection waiver, and any exceptions to the waiver, on underwriting criteria uniformly applied.

(d)(1) When an insurer waives an inspection pursuant to subdivision (a)(2) of this section, the insurer shall request that the named insured submit a copy of the lease agreement that sets forth a full description of the automobile at the time of lease or rental.

(2) When an insurer waives an inspection pursuant to subdivision (b)(2) of this section, the insurer shall request that the named insured submit:

(i) a copy of the window sticker or advanced dealer shipping notice (invoice) showing the total retail price of the insured automobile including an itemized list of all factory and dealer installed options, accessories and equipment installed on or within the automobile at the time of sale, lease or transfer; and

(ii) a copy of the:

(a) bill of sale or lease agreement that sets forth a full description of the automobile, including all factory and dealer installed options, accessories and equipment installed on or within the automobile at the time of sale, lease or transfer; or

(b) MV-50 form provided by the New York State Department of Motor Vehicles, which establishes transfer of ownership from the new automobile dealer to the named insured.

(3) When an insurer waives an inspection pursuant to subdivision (a)(2) or (b)(2) of this section, the insurer shall:

(i) condition payment of any physical damage loss upon the insurer's receipt of the relevant documents set forth in paragraph (1) or (2) of this subdivision;

(ii) not suspend coverage during the initial annual policy term due to the named insured's failure to provide the required documents; and

(iii) require an inspection of the insured automobile as a condition of renewal of the private passenger automobile physical damage insurance, pursuant to the provisions of section 67.7(c) of this Part, if the insurer cannot obtain a copy of the documents required by paragraphs (1) or (2) of this subdivision at least 60 calendar days prior to the first annual renewal date.

(4)(i) An insurer shall not waive an inspection pursuant to subdivisions (b)(4), (6), (7), (8), (9), (10) or (11) of this section unless the previous insurer's authorized representative actually inspected the named insured's automobile.

(ii) When an insurer waives an inspection pursuant to subdivisions (b)(4), (6), (7), (8), (9), (10), or (11) of this section, the insurer shall:

(a) document the insurer's reason to believe that the automobile was inspected by the previous insurer in accordance with this Part, as well as the source of that information;

(b) request, within ten days of the start of coverage, confirmation that the inspection was completed and applicable photographs were taken, and a copy of the completed inspection report and applicable photographs from the previous insurer, insurance agent, third-party such as the photo inspection vendor or insured, unless the insurer already has in its possession a copy of the inspection report and applicable photographs;

(c) not suspend coverage during the term of the initial annual policy period due to the previous insurer's failure to provide a copy of the previously completed inspection report and applicable photographs; and

(d) require an inspection of the insured automobile as a condition of renewal of private passenger automobile physical damage insurance pursuant to the provisions of section 67.7(c) of this Part, if the insurer does not obtain a copy of the inspection report and applicable photographs from the previous insurer at least 60 calendar days prior to the first annual renewal date.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; amd. filed Jan. 31, 1978; repealed, new filed April 15, 1982; amd. filed March 17, 1988 eff. April 15, 1988; amd. filed January 21, 1997 eff. February 5, 1997; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.4 Deferral of the mandatory inspection requirement

(a) Unless an insurer either waives an inspection as required or permitted by section 67.3 of this Part or immediately inspects the automobile, upon a named insured's request for private passenger automobile physical damage insurance, an insurer shall, at the time of the insured's request, notify the named insured of the New York mandatory physical damage inspection requirement.

(b) At the insurer's option, the automobile may be inspected prior to the effective date of coverage but no more than ten days prior to the effective date or defer the inspection for 14 calendar days after the effective date.

(c) The notification specified in subdivision (a) of this section shall advise the named insured:

(1) of one or more inspection locations where the inspection may be completed during the fourteen-day deferral period;

(2) of the potential consequences of the named insured's failure to make the insured automobile available for inspection; and

(3) that coverage will be suspended at 12:01 a.m. on the day following the fourteenth day after the effective date of coverage if the mandatory inspection is not timely completed.

(d) An insurer's failure to comply with the notice requirements contained in this subdivision shall not relieve the insurer of its obligation to inspect.

(e) If an insurer defers the inspection requirement as permitted by this section, then the insurer shall:

(1)(i) immediately require the named insured to sign the ACKNOWLEDGEMENT OF REQUIREMENT FOR PHOTO INSPECTION (NYS APD form D), contained in section 67.12 of this Part, or a substantially equivalent form, and retain a copy of the signed acknowledgement in the named insured's policy record; or

(ii) mail, deliver or otherwise transmit the CONFIRMATION OF PHYSICAL DAMAGE COVERAGE – NOTICE OF MANDATORY PHOTO INSPECTION REQUIREMENT (NYS APD form B), contained in section 67.12 of this Part, or a substantially equivalent form, to the named insured and the producer of record and retain a copy of the confirmation notice and proof of mailing thereof in the named insured's policy record.

(2) retain documentation in the named insured's policy record to verify that the insurer notified the named insured of the inspection requirement as provided in this section.

(f) If an insurer notifies the named insured of the inspection requirement in person or by telephone, then the insurer shall maintain a record of the name of the person giving notice of the inspection requirement and the inspection locations provided to the named insured.

(g) If an insurer notifies the named insured through an automated telephone voice response system or electronically via the internet, then the insurer shall:

(1) verify that the named insured consented to receive electronic notification;

(2) verify that the named insured acknowledged receipt of the electronic or automated telephone voice response system notification; and

(3) maintain a record of the inspection locations selected by or provided to the named insured.

(h) If the named insured failed to acknowledge receipt of the electronic or automated telephone voice response system notification or failed to select one or more inspection locations, then the insurer shall notify the named insured of the inspection requirement in person or by telephone.

(i)(1) If an insurer has continuously provided automobile physical damage insurance for a named insured's automobile for at least 12 months and the named insured acquires ownership of an automobile that is intended to replace a currently insured automobile described in the policy, then the insurer may extend the same type and level of automobile physical damage insurance to the replacement automobile without a coverage request from the named insured for five calendar days from the day that the named insured acquired the replacement automobile. The time frames and notification requirements specified in this section shall commence at the conclusion of the five-calendar-day period.

(2) An insurer that makes an election pursuant to this subdivision (i)(1) of this section shall file an appropriate policy endorsement with the superintendent pursuant to Insurance Law section 2307(b) and shall furnish a copy of such endorsement to all of its insureds who have physical damage coverage.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; amds. filed: Dec. 30, 1977; Jan. 31, 1978; March 3, 1980; repealed, new filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.5 Standards for inspections

(a) An insurer shall use authorized representatives that conduct inspections required or permitted pursuant to this Part in accordance with the provisions of this section. An insurer's authorized representative shall conduct the inspection at a time and place reasonably convenient to the named insured. A reasonably convenient time shall include, in addition to customary business hours, sufficient early morning, evening and weekend hours.

(1) If the insured automobile is located within this state, then a reasonably convenient place shall be:

(i) ten miles or less from the place where the automobile is principally garaged when the place is within the counties of Westchester, Nassau or Suffolk, or any city with a population of 100,000 or more; or

(ii) 25 miles or less from the place where the automobile is principally garaged when the place is in all other parts of this state.

(2) If the insured automobile is located outside this state, then a reasonably convenient place shall be 50 miles or less from the location of the automobile.

(b) Any inspection authorization forms that the insurer issues to the named insured for presentation to the insurer's authorized representative shall not contain the vehicle identification number (VIN) of the automobile to be inspected.

(c) The inspection shall be recorded on the prescribed AUTOMOBILE INSURANCE INSPECTION REPORT (NYS APD form A) contained in section 67.12 of this Part.

(d)(1) During an inspection, an insurer's authorized representative shall take:

(i) a minimum of two color photographs, clearly showing the front, back, left and right sides of the automobile;

(ii) a color photograph showing a close-up (using a special camera attachment if necessary) of the Environmental Protection Agency (EPA) sticker and the VIN number, which shall be of sufficient clarity that the information contained on the EPA sticker and the VIN number are legible; and

(iii) additional photographs showing any damaged areas of the automobile.

(2) If the EPA sticker is missing, obscured or otherwise illegible, then the insurer's authorized representative shall document on the inspection report that the EPA sticker is missing, obscured or otherwise illegible.

(3) The insurer's authorized representative may take photographs required by this section using film or digital media.

(e)(1) The inspection report and all applicable photographs shall be retained by the insurer in the named insured's policy record in a durable medium in accordance with Part 243 of this Title (Insurance Regulation 152), except as provided in subdivision (i) of this section.

(2) If the insurer's authorized representative completes the inspection report electronically, then the inspection information shall be rendered into an electronic image of the inspection report and maintained in a durable medium. The electronic image of the inspection report shall capture and show the electronic signatures of the insurer's authorized representative and the named insured or the person who presents the automobile for inspection if other than the named insured.

(3) The insurer's authorized representative shall give a printed copy of the inspection report to the person who presents the automobile for inspection. If the person who presents the automobile for inspection is not the named insured, then

the insurer or the insurer's authorized representative shall mail, deliver or transmit to the named insured a copy of the inspection report within seven calendar days of completion of the inspection. The insurer or the insurer's authorized representative shall not be required to supply the named insured with copies of inspection photographs but nothing in this Part shall preclude the insurer or the insurer's authorized representative from voluntarily providing the named insured with such copies.

(f) The inspection report and all applicable photographs shall:

(1) confirm the existence and physical condition of the insured automobile at the time of inspection;

(2) record odometer mileage and all major factory and dealer installed options, accessories and equipment permanently installed on or within the insured automobile;

(3) document any previous damage to the interior and exterior of the insured automobile;

(4) be made part of the named insured's policy record; and

(5) be utilized by the insurer in the settlement of a private passenger automobile physical damage insurance claim.

(g) There shall be no charge to the named insured for the cost of the inspection or applicable inspection photographs.

(h) The competency and trustworthiness of the insurer's authorized representative in the conduct of the inspections provided for in this Part shall be the responsibility of the insurer.

(i) An authorized representative shall:

(1) verify the accuracy, completeness and signature of the inspector for each inspection report in writing;

(2) utilize sequentially numbered inspection reports;

(3) maintain a secure system of internal controls over the storage, retrieval and data integrity of inspection reports and all applicable photographs;

(4) provide an optional service to the insurer, which may be on an additional fee basis, whereby the authorized representative retains the inspection reports and all applicable photographs in a durable medium. In such a case, the authorized representative shall:

(i) maintain the inspection reports and all applicable photographs in accordance with Part 243 of this Title, and in such a manner as to facilitate rapid retrieval; and

(ii) upon the insurer's request, mail, deliver or otherwise transmit the inspection reports and all applicable photographs to the insurer so that the insurer receives those reports within two calendar days of such request.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; amds. filed: Jan. 31, 1978; June 26, 1980; repealed, new filed April 15, 1982; amds. filed: Jan. 31, 1986; March 17, 1988 eff. April 15, 1988; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.6 Standards for suspension of private passenger automobile physical damage insurance

(a) If the named insured fails to make the insured automobile available for the mandatory inspection prior to expiration of the deferral period specified in section 67.4(b) of this Part, then automobile physical damage insurance on the insured automobile shall be suspended at 12:01 a.m. of the day following the fourteenth calendar day after the effective date of coverage.

(1) If the named insured makes his or her automobile available for the inspection after the automobile physical damage insurance has been suspended, then the insurer shall accept the inspection and reinstate the automobile physical damage insurance effective as of the date and time of the inspection.

(2) For the purposes of sections 3425 and 3426 of the Insurance Law, reinstatement of automobile physical damage insurance shall not be considered new business.

(b) Whenever automobile physical damage insurance is suspended for more than ten calendar days, an insurer shall make a pro rata premium adjustment (return premium or credit), which the insurer shall mail, deliver, transmit or credit to the named insured no later than 45 calendar days after the effective date of automobile physical damage insurance suspension.

(c) After an insurer suspends a named insured's automobile physical damage insurance, the insurer shall mail, deliver or transmit the prescribed CONFIRMATION OF SUSPENSION OF PHYSICAL DAMAGE COVERAGE (NYS APD form C) contained in section 67.12 of this Part, or a substantially equivalent form, to the named insured, with a copy to the producer of record and any lienholders, no later than 20 calendar days after the effective date of automobile physical damage insurance suspension.

(1) The insurer shall retain proof of mailing, delivery or transmittal of the confirmation to the named insured in the named insured's policy record, in accordance with Part 243 of this Title (Regulation 152).

(2) An insurer's failure to comply with the provisions of this paragraph shall not restore automobile physical damage insurance.

(3) This subdivision shall not apply if the automobile is made available for inspection by an insurer's authorized representative prior to the actual date of

mailing, delivery or transmittal of the CONFIRMATION OF SUSPENSION OF PHYSICAL DAMAGE COVERAGE (NYS APD form C) or a substantially equivalent form.

(d) An insurer shall not suspend a named insured's automobile physical damage insurance if the named insured did not make the insured automobile available for inspection due to the insurer's failure to:

(1) properly notify the named insured of the inspection requirement;

(2) mail, deliver or otherwise transmit the CONFIRMATION OF PHYSICAL DAMAGE COVERAGE NOTICE OF MANDATORY PHOTO INSPECTION REQUIREMENT (NYS APD form B) or a substantially equivalent form to the named insured; or

(3) obtain the signed ACKNOWLEDGMENT OF REQUIREMENT FOR PHOTO INSPECTION (NYS APD form D) or a substantially equivalent form from the named insured.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; Repealed, new filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.7 Standards for renewal inspections

(a) An insurer may require that a named insured's automobile be reinspected as a condition of renewing the automobile's physical damage insurance.

(b) An insurer shall document any renewal inspection requirement in its plan of operations and shall base any such requirement on underwriting criteria that relates to the risk being insured. An insurer shall not apply any renewal inspection requirement in an unfair and discriminatory manner.

(c)(1) Whenever an inspection of the insured automobile is required upon renewal of the automobile's physical damage insurance, the insurer shall:

(i) mail, deliver or transmit the CONFIRMATION OF PHYSICAL DAMAGE COVERAGE—NOTICE OF MANDATORY PHOTO INSPECTION REQUIREMENT (NYS APD form B) or a substantially equivalent form to the named insured and the producer of record at least 45 but not more than 60 calendar days prior to the annual policy renewal date to provide notification to the named insured that:

(a) an inspection of the insured automobile is required within 30 calendar days from the named insured's private passenger automobile physical damage insurance annual policy renewal date; and

(b) if the named insured fails to make the insured automobile available for inspection, then the insurer shall suspend the automobile physical

damage insurance at 12:01 a.m. on the thirty-first day after the annual policy renewal date;

(ii) advise the named insured that the insurer or its authorized representative shall provide the named insured with a copy of the inspection report but is not required to supply the named insured with copies of inspection photographs, unless the insurer voluntarily elects to do so and, in which case, the notice should so specify;

(iii) retain proof of mailing of the notification of the renewal inspection requirement in the named insured's policy record; and

(iv) assist the named insured with arranging a renewal inspection at a time and location that is reasonably convenient for the named insured in accordance with the standards set forth in 67.5(a) of this Part.

(2) If an insurer fails to mail, deliver or transmit timely notice of the renewal inspection requirement to the named insured in accordance with the procedures set forth in paragraph (1) of this subdivision, then upon discovery of that failure, the insurer shall:

(i) promptly mail, deliver or transmit notice of the renewal inspection requirement as required by paragraph (1) of this subdivision; and

(ii) provide automobile physical damage insurance for the insured automobile until the later of 45 calendar days from the date of the delayed notice or 30 calendar days from the named insured's annual policy renewal date.

(d) If a named insured does not make the insured automobile available for the renewal inspection at least ten calendar days prior to the expiration of the deferral period provided by subdivision (c) of this section, then the insurer shall:

(1) mail, deliver or transmit a second CONFIRMATION OF PHYSICAL DAMAGE COVERAGE—NOTICE OF MANDATORY PHOTO INSPECTION REQUIREMENT (NYS APD form B) or a substantially equivalent form to the named insured, producer of record and any lienholders, restating that failure to have the insured automobile inspected prior to the expiration of the deferral period shall result in suspension of the automobile physical damage insurance; and

(2) retain proof of mailing of the second notice to the named insured in the named insured's policy record.

(e) If the named insured fails to make the insured automobile available for the renewal inspection prior to expiration of the deferral period specified in subdivision (c) of this section, then the insurer shall suspend the automobile physical damage insurance effective at 12:01 a.m. on the day following the last day of the deferral period and in accordance with the requirements of section 67.6 of this Part. If the named insured makes the insured automobile available for the renewal inspection after the insurer suspends the automobile physical damage insurance, then the insurer shall accept the inspection and reinstate the automobile physical damage insurance

effective as of the date and time of the renewal inspection pursuant to section 67.6 of this Part.

(f) If the insurer fails to mail or deliver the initial written notice of inspection to the insured in the manner specified in subdivision (c) of this section, it shall, nevertheless, give written notice of the inspection requirement, and automobile physical damage coverage shall continue without the required inspection past the renewal date for up to 33 days from the date of the delayed notice.

(g) An insurer shall make every effort to conduct a renewal inspection permitted by this Part in advance of the normal inspection period for such risk, in order to mitigate any hardship to the insured which would otherwise result.

(h) If an automobile is not inspected pursuant to this Part due to the fault of the insurer, physical damage coverage on the automobile shall not lapse.

(i) Section 67.5 of this Part shall also apply to renewal inspections.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; Repealed, new filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.8 Standards for inspection by NYAIP

(a) The standards for conducting inspections contained in this Part shall be applicable to new assignments by NYAIP, except that:

(1) the fourteen-calendar-day deferral period for new business provided by section 67.4 of this Part shall be mandatory; and

(2) The NYAIP may waive the mandatory inspection requirement only for a new, unused automobile purchased from a new automobile vehicle dealer in accordance with section 67.3(b)(2) of this Part.

(b) The NYAIP shall have the same rights and obligations as an insurer to arrange for and complete inspections required by section 3411 of the Insurance Law and this Part.

(c) The (c) NYAIP shall forward the completed AUTOMOBILE INSURANCE INSPECTION REPORT (NYS APD form A) to the designated insurer, which shall accept and be bound by such inspection.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Oct. 7, 1977; repealed, new filed: Jan. 31, 1978; April 15, 1982; amds. filed: Jan. 31, 1986; March 17, 1988 eff. April 15, 1988; amd. 4-1-2015; amd. 5-20-2015.

11 NYCRR 67.9 Required amendatory endorsements

(a) Every policy providing private passenger automobile physical damage insurance shall contain language that is substantially equivalent to the following: the insurer or its authorized representative has the right to inspect any private passenger automobile, including a nonowned automobile, insured or intended to be insured under this policy, before the automobile physical damage insurance shall become effective, except to the extent that this right is prescribed and limited by Insurance Regulation No. 79 (11 NYCRR Part 67) or section 3411 of the Insurance Law.

(b) When the insurer requires an inspection, the named insured shall cooperate and make the automobile available for inspection.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed Jan. 31, 1978; repealed, new filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; amd. 6-1-2013; amd. 8-1-2013; amd. 4-1-2015.

11 NYCRR 67.10 Permissible premium adjustments

(a) An insurer may grant premium reductions when an inspection made pursuant to this Part discloses that previous damage or the prior condition of an insured automobile would result in a reduction in the amount payable for settlement of a private passenger automobile physical damage claim in the event of a total loss. An insurer may file revised premium rates, which would be effective under such circumstances, to reduce their fire and theft or comprehensive premium rates as follows:

<i>Diminution of Value</i>	<i>Reduction Permitted</i>
Under \$500.00	None
\$500.01 to \$750.00	5%
\$750.01 to \$1,000.00	7.5%
more than \$1000.00	10%

(b) An insurer may deviate from the premium reductions specified in subdivision (a) of this section, upon filing the proposed deviation as a rating rule subject to the superintendent's approval in accordance with Article 23 of the Insurance Law.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. repealed, new filed April 15, 1982 eff. June 1, 1982; amd. 6-1-2013; amd. 8-1-2013; amd. 4-1-2015.

11 NYCRR 67.11 Inspection report central repository

An insurer may utilize a separate entity to maintain a central repository of its private passenger automobile physical damage inspection reports to improve the effectiveness of the insurer's inspection program. More than one insurer may use the services

provided by the same central repository. Reporting to a central repository shall be voluntary.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; renumbered and amd. 4-1-2015.

11 NYCRR 67.12 Forms The following forms are hereby approved for use as specified in this Part:

NYS APD — FORM A

**INSURANCE INSPECTION REPORT
(THIS IS NOT A SAFETY INSPECTION)**

DATE OF INSPECTION				TIME AM PM	INSURANCE CO. NAME	INSURED'S POLICY #	CONTROL NUMBER NO. OF PHOTOS
INSURED'S NAME				INSURED'S ADDRESS			
INSPECTOR (PRINT)				INSPECTION SITE NAME	SITE LOCATION (FULL ADDRESS)		SITE I.D.#:
YEAR	MAKE	MODEL	STYLE 2 DR — 4 DR —	COLOR	VEHICLE IDENTIFICATION # (OBTAIN DIRECTLY FROM VEHICLE)		
INTERIOR: MATERIAL: COLOR:				PLATE # AND STATE		ODOMETER READING	
ACCESSORIES AND OPTIONAL EQUIPMENT						ADDITIONAL ITEMS WHERE APPLICABLE (VANS)	
ALL VEHICLES Including Vans				<input type="checkbox"/> CHECK HERE IF NO ACCESSORIES			
<input type="checkbox"/> RADIO	<input type="checkbox"/> TILT TELESCOPIC WHEEL	<input type="checkbox"/> INTERIOR PANNELLING					
<input type="checkbox"/> RADIO AM/FM STEREO	<input type="checkbox"/> POWER STEERING <input type="checkbox"/> BRAKES	<input type="checkbox"/> INTERIOR RUGS					
<input type="checkbox"/> AIR CONDITIONER	<input type="checkbox"/> POWER LOCKS	<input type="checkbox"/> REAR PASSENGER SEATING					
<input type="checkbox"/> MANUAL TRANSMISSION	Doors <input type="checkbox"/> Trunk	<input type="checkbox"/> EXTERIOR DECORATIVE PAINT					
<input type="checkbox"/> 3 Speed <input type="checkbox"/> 4 Speed <input type="checkbox"/> 5 Speed	<input type="checkbox"/> POWER WINDOWS	<input type="checkbox"/> OTHER THAN FACTORY					
<input type="checkbox"/> AUTOMATIC TRANSMISSION	<input type="checkbox"/> VINYL TOP	<input type="checkbox"/> INSTALLED AC					
<input type="checkbox"/> STEREOTAPE PLAYER-BRAND _____	<input type="checkbox"/> SPECIAL ROOF-TYPE _____	<input type="checkbox"/> CUSTOMIZED WINDOWS OR BUBBLES					
Permanently Installed <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> CUSTOM WHEELS	<input type="checkbox"/> BEDS () COTS ()					
<input type="checkbox"/> CB RADIO-BRAND _____	<input type="checkbox"/> BUCKET SEATS	<input type="checkbox"/> STEREO					
Permanently Installed <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> SPECIAL TIRES - TYPE _____	<input type="checkbox"/> REFRIGERATOR					
<input type="checkbox"/> ANTI-THEFT DEVICE-	<input type="checkbox"/> TINTED GLASS	<input type="checkbox"/> TELEVISION					
Brand _____ Model _____	<input type="checkbox"/> OTHER _____	<input type="checkbox"/> OTHER					
Type - <input type="checkbox"/> Active <input type="checkbox"/> Passive							
<input type="checkbox"/> CRUISE CONTROL							
<input type="checkbox"/> REAR DEFROSTER							

PHOTOGRAPHS OF VEHICLE (MUST BE COLOR PHOTOS)

FRONT AND RIGHT SIDE

Attach color photograph of the automobile taken at the angles shown at right. Also, attach close-up photo of E.P.A. sticker, (located on driver's door jamb), V.I.N. must be legible. Additional photos may be taken.

BACK AND LEFT SIDE

PHYSICAL, CONDITION OF VEHICLE Check Damaged Areas or Areas in Poor Condition and Describe Below

DAMAGES:	RUSTED:	DAMAGED:	RUSTED:	DAMAGED:
<input type="checkbox"/> FRONT BUMPER	<input type="checkbox"/>	<input type="checkbox"/> DOOR RIGHT REAR	<input type="checkbox"/>	<input type="checkbox"/> WINDSHIELD
<input type="checkbox"/> REAR BUMPER	<input type="checkbox"/>	<input type="checkbox"/> QUARTER PANEL LEFT REAR	<input type="checkbox"/>	<input type="checkbox"/> SIDE GLASS LEFT FRONT
<input type="checkbox"/> FENDER LEFT FRONT	<input type="checkbox"/>	<input type="checkbox"/> QUARTER PANEL RIGHT REAR	<input type="checkbox"/>	<input type="checkbox"/> SIDE GLASS RIGHT FRONT
<input type="checkbox"/> FENDER RIGHT FRONT	<input type="checkbox"/>	<input type="checkbox"/> HOOD PANEL	<input type="checkbox"/>	<input type="checkbox"/> SIDE GLASS LEFT REAR
<input type="checkbox"/> DOOR LEFT FRONT	<input type="checkbox"/>	<input type="checkbox"/> ROOF PANEL	<input type="checkbox"/>	<input type="checkbox"/> SIDE GLASS RIGHT REAR
<input type="checkbox"/> DOOR RIGHT FRONT	<input type="checkbox"/>	<input type="checkbox"/> TRUNK LID	<input type="checkbox"/>	<input type="checkbox"/> REARVIEW MIRROR
<input type="checkbox"/> DOOR LEFT REAR	<input type="checkbox"/>	<input type="checkbox"/> GRILL	<input type="checkbox"/>	<input type="checkbox"/> WHEEL COVERS
				<input type="checkbox"/> WORN OR SOILED INTERIOR

CHECK HERE IF NO EXISTING DAMAGE, RUST OR MISSING PARTS

COMMENTS ON DAMAGE OR RUST AS NEEDED:

INDICATE MISSING PARTS:

DESCRIBE ANY VARIANCE OR ALTERATION FROM FACTORY DESIGN:

The above is a true statement of any existing damage or missing parts as of this date. The undersigned certifies that this inspection report is true and complete and that I have seen the vehicle stated above.

INSPECTOR'S SIGNATURE X _____

PERSON PRESENTING VEHICLE FOR INSPECTION:	PRINT NAME	SIGNATURE	RELATIONSHIP TO INSURED
---	------------	-----------	-------------------------

CONFIRMATION OF PHYSICAL DAMAGE COVERAGE
NOTICE OF MANDATORY PHOTO INSPECTION REQUIREMENT

INSURED
NAME: _____
ADDRESS: _____ DATE OF MAILING: _____
_____ EFFECTIVE DATE
_____ OF COVERAGE: _____
_____ INSPECTION MUST BE
COMPLETED BY: _____
DATE
POLICY #: _____

DEAR POLICYHOLDER,

THIS WILL CONFIRM COVERAGE FOR COMPREHENSIVE _____;
COLLISION _____;

FIRE AND THEFT _____; ON YOUR 1. _____, _____, _____, _____,
2. _____, _____, _____, _____,
3. _____, _____, _____, _____,
YEAR MAKE MODEL VIN#

PLEASE DISREGARD THIS NOTICE

IF YOU HAVE ALREADY HAD YOUR VEHICLE INSPECTED (PHOTO IN-
SPECTION)

THIS NOTICE WILL ALSO SERVE AS A REMINDER THAT THE ABOVE
DESCRIBED VEHICLE(S) MUST BE INSPECTED BY THE DATE INDICATED
ABOVE, OR PHYSICAL DAMAGE COVERAGE WILL BE SUSPENDED EFFEC-
TIVE 12:01 A.M.

ON _____ .
(DATE)

IF YOU HAVE YOUR VEHICLE INSPECTED AFTER THE ABOVE DEAD-
LINE YOUR COVERAGE WILL BE RESTORED EFFECTIVE AT THE TIME OF
INSPECTION. HOWEVER, YOU WILL HAVE NO COVERAGE FOR ANY LOSS
THAT OCCURS DURING THE SUSPENSION PERIOD.

PLEASE CALL _____
NAME & PHONE NO. OF COMPANY REPRESENTATIVE
FOR FURTHER INFORMATION.

VERY TRULY YOURS,

cc: PRODUCER OF RECORD

CONFIRMATION OF SUSPENSION OF PHYSICAL DAMAGE COVERAGE

DATE: _____

NAME AND ADDRESS
OF INSURED

RE: POLICY NO.:

DEAR POLICYHOLDER:

THE VEHICLES LISTED BELOW ARE NO LONGER COVERED FOR COLLISION ____ ;
COMPREHENSIVE _____; OR _____ FIRE & THEFT;

	<u>YEAR</u>	<u>MAKE</u>	<u>MODEL</u>
1)	_____		
2)	_____		
3)	_____		

DATE COVERAGE WAS REQUESTED _____

DATE COVERAGE WAS SUSPENDED _____

The physical damage coverage(s) indicated above, has(have) been suspended on the vehicle(s) described, effective 12:01 a.m. on the suspension date. Such coverage has been suspended due to your failure to comply with the Mandatory Physical Damage Insurance (Photo) Inspection Requirement, as required by New York State Insurance Law.

Your premium adjustment (return premium or credit) for the suspended coverage(s) [will follow shortly, under separate cover.]¹

The coverage(s) will be restored when you have your vehicle(s) inspected.

INSURER REPRESENTATIVE

PHONE NUMBER

1. Companies may substitute "is enclosed" if the premium adjustments will accompany this letter.

DATE OF MAILING _____

cc: PRODUCER OF RECORD LIENHOLDER

ACKNOWLEDGEMENT OF REQUIREMENT FOR PHOTO INSPECTION

APPLICANT OR INSURED NAME: _____

ADDRESS _____

VEHICLE(S) TO BE INSPECTED:

	<u>YEAR</u>	<u>MAKE</u>	<u>MODEL</u>	EFFECTIVE DATE OF COVERAGE:
# 1				_____
# 2				DATE
# 3				

INSPECTION MUST BE COMPLETED BY _____
DATE

BY MY SIGNATURE BELOW I CERTIFY THAT I HAVE BEEN INFORMED THAT MY VEHICLE(S) WHICH IS BEING INSURED FOR COLLISION AND/OR COMPREHENSIVE COVERAGE MUST BE INSPECTED BY A REPRESENTATIVE OF THE INSURER. THIS INSPECTION MUST BE COMPLETED WITHIN FIVE (5) CALENDAR DAYS AFTER THE EFFECTIVE DATE OF COVERAGE, IN NO EVENT LATER THAN THE DATE SHOWN ABOVE TO AVOID A SUSPENSION IN COVERAGE. I UNDERSTAND THAT FAILURE TO OBTAIN THE REQUIRED INSPECTION(S) WILL RESULT IN THE SUSPENSION (LOSSES WILL NOT BE COVERED) OF THE PHYSICAL DAMAGE COVERAGE (COLLISION, COMPREHENSIVE, FIRE, THEFT) AS OF 12:01 A.M. OF THE DAY FOLLOWING THE DATE THE INSPECTION MUST BE COMPLETED BY.

IF COVERAGE IS SUSPENDED IT WILL BE RESTORED AFTER THE INSPECTION IS COMPLETED.

SIGNATURE OF APPLICANT OR INSURED _____ DATE

SIGNATURE OF PRODUCER OR INSURANCE COMPANY REPRESENTATIVE _____ DATE

NAME, ADDRESS & TELEPHONE NUMBER OF PRODUCER OR INSURANCE REPRESENTATIVE COMPLETING THIS FORM

INSURED (APPLICANT) SHALL BE FURNISHED A COMPLETED COPY OF THIS FORM.

Authority - Sections 202 and 302 of the Financial Services Law, and Sections 301, 3411, 5303 and Article 53 of the Insurance Law.

History Sec. filed April 15, 1982; amd. filed Jan. 31, 1986 eff. Feb. 1, 1986; renumbered and amd. 4-1-2015.