

## Financial Responsibility

Every time you get behind the wheel of a car, you risk being involved in, or causing, an accident. So, to protect the public from this risk, the State of New York requires all drivers to prove they are financially responsible. This means having the ability to pay for any financial damage they may cause to others while operating a motor vehicle in the state.

Most people meet this requirement by buying motor vehicle liability insurance, although bonds and self-insurance are possible alternatives. Liability insurance is designed to indemnify people for bodily injuries or property damage that the insured has caused.

## State Minimum Insurance Requirements

New York has specified coverages and minimum amounts of insurance that drivers must purchase to register, license, and drive their cars. These coverages include:

- **Liability Insurance** – to provide coverage for damage that your vehicle (or another vehicle you drive with permission) might cause to someone else or their property
- **No-Fault Insurance (Personal Injury Protection)** – to provide coverage for medical expenses, lost earnings, and other reasonable and necessary expenses for any driver, passenger, or pedestrian injured by your vehicle
- **Uninsured Motorist Insurance** – to provide coverage for injuries you, your family, or your passengers may suffer in a hit-and-run accident or an accident with an uninsured vehicle

## Liability Insurance

Liability insurance is designed to pay for any bodily injuries that your vehicle causes to other people — including passengers — as well as any damage your vehicle may cause to the property of others. Liability insurance also includes legal defense, so your insurance company will provide you with a legal defense if someone sues you after an accident.

New York requires drivers to have liability coverage providing at least:

- **\$25,000** per person up to **\$50,000** per accident for bodily injury
- **\$50,000** per person up to **\$100,000** per accident for death
- **\$10,000** per accident for property damage to others

## Proof of Insurance

Evidence of insurance must be maintained in each licensed vehicle registered in the state of New York.

## Penalties for Driving Without Insurance

Motor vehicle owner/operators who fail to maintain the required insurance can face serious penalties. Allowing one's liability insurance to lapse can lead to suspension or revocation of either the driver's license or the car's registration or both. The fine for driving without insurance can be as high as **\$1,500**, and the penalty to get a license again after it has been revoked is **\$750**. Also, more costly premiums are likely when re-applying for insurance after it has lapsed.

## The New York Automobile Insurance Plan (New York's Assigned Risk Auto Program)

The New York Automobile Insurance Plan (NYAIP) provides auto liability and physical damage coverage to high-risk insureds who are unable to obtain insurance in the voluntary market. All insurers licensed to sell motor vehicle insurance in the state of New York are required to participate in the NYAIP.

The NYAIP is administered by a committee comprised of several members elected by the plan's participating insurers and two additional members appointed by the superintendent each year. These two appointed members are licensed agents or brokers representing the public who obtain insurance through the NYAIP.

**Available Coverage**

Under the NYAIP, insurance policies are available for private passenger vehicles, commercial vehicles, public transportation vehicles, and dealer's coverage. By law, NYAIP policies must include the following coverages:

- Liability coverage for bodily injury or death (one person per accident) – up to \$50,000
- Liability coverage for bodily injury or death (two or more persons per accident) – up to \$100,000
- Liability coverage for damage or destruction of property (per accident) – up to \$10,000
- Loss or damage to an insured auto (per accident) – up to \$10,000 ACV with at least a \$100 deductible
- Medical payments for private passenger motor vehicles not for hire – up to \$1,000
- Supplementary uninsured motorist coverage
- The ability to apply for up to twice the dollar amount of first party benefits, and equal benefits for personal injury in an auto accident occurring in any other state or in Canada

Coverage under the NYAIP is more expensive than policies obtained in the voluntary market. With the exception of the rates for the state-required minimum liability insurance, NYAIP premium rates are based on the risk level of the people insured under this plan.

**Eligibility**

In order to qualify for an NYAIP policy, applicants are required to prove that they have been unable to get auto insurance in the voluntary market within the previous 60 days. Also, they must have a valid driver's license and they must not owe past premiums on another NYAIP policy.

## **New York's Comprehensive Motor Vehicle Insurance Reparations Plan (No Fault/PIP)**

In 1974, New York was one of the first states to require that drivers purchase a form of insurance called No-Fault, or PIP (Personal Injury Protection) insurance. The 1974 legislation that New York passed to make this requirement for drivers is called the Comprehensive Motor Vehicle Insurance Reparations Act, or simply put, the New York No-Fault Law.

No-fault laws are designed to:

- Make sure that injured persons are compensated promptly
- Reduce the number of lawsuits resulting from car accidents
- Turn savings from fewer lawsuits into lower insurance premiums

No-fault insurance means that, regardless of who is at fault in an accident, each policyholder must turn to his own insurer for indemnification. So, if Megan rear-ends Bob, causing him to get a severe neck injury, Bob will have to file a claim with his own insurer, even though it was Megan's fault! Usually no-fault insurance only applies to bodily injury, leaving property damage to be paid for by the at-fault party or his insurer.

### **How Does No-Fault Insurance Work?**

The coverage that New York requires provides for the payment of benefits of up to \$50,000 for "basic economic loss" for persons who are injured in car accidents. This coverage includes:

- Reasonable and necessary accident related medical and rehabilitation expenses including psychiatric, physical, and occupational therapy and rehabilitation (also included is non-medical care and treatment given by a religious method of healing recognized by the state and any other professional health services)
- 80% of lost earnings from work, up to \$2,000 per month for up to 3 years from the accident (unless already being provided by workers compensation, Social Security disability, or New York State disability)
- Up to \$25 per day for other reasonable and necessary expenses, such as household help or transportation to medical treatments, for up to one year from the accident
- \$2,000 death benefit (in addition to the \$50,000 maximum for basic economic loss)

No-fault insurance prevents an injured person from filing a lawsuit against the at-fault party. A lawsuit can only be brought if the injured person suffers economic losses that are greater than the \$50,000 maximum, or for non-economic damages (such as pain and suffering) only in the case of "serious injury," which is defined in New York as:

- Personal injury that results in death
- Dismemberment or significant disfigurement
- Fracture
- Loss of a fetus
- Permanent loss of use of a body organ, member, function, or system
- Permanent consequential limitation of use of a body organ or member; significant limitation of use of a body function or system
- A medically determined injury or impairment that is not permanent, but that prevents one from performing substantially all of one's usual and customary daily activities for at least 90 days during the 180 days immediately following the injury or impairment

### **Who Is Covered by No-Fault Insurance?**

No-fault insurance provides benefits for insureds and family members who live with them when they are injured in accidents that happen anywhere in the United States and Canada. No-fault also covers passengers who are injured in an insured's vehicle in the state of New York. Passengers who are New York residents are covered when injured in accidents anywhere in the United States and Canada, but *only* if they are not covered under another auto policy in New York. No-fault also provides coverage for pedestrians who are injured by motor vehicles in the state.

### **Who Is Excluded from Coverage?**

Persons are most likely be ineligible for coverage when injured while:

- Intentionally injuring themselves
- Operating under the influence of alcohol or drugs
- Committing a felony
- Knowingly a passenger in a stolen car
- Fleeing the police
- Racing
- Driving a motorcycle (or passenger on one)
- A non-pedestrian injured by motorcycle
- Driving an uninsured vehicle (or passenger in one)
- Repairing a vehicle in a repair facility

### **Filing No-Fault Insurance Claims**

To receive benefits, the injured person must submit a written application for benefits to the insurer within 30 days of the accident, with information about the accident and the injury or injuries sustained.

After receiving proof of loss, the insurer must pay benefits to the injured person within thirty (30) days. If it does not pay within that time, the insurer will have to pay interest on what it owes, at the rate of 2% per month.

### **Purchasing Additional No-Fault Coverage**

Policyholders can buy additional No-fault protection over the basic minimum amount required by the state of New York if they like. For an additional premium, people can choose from either Additional PIP coverage or Optional Basic Economic Loss (OBEL) coverage.

Additional PIP coverage can raise the maximum benefit in case of an accident to \$100,000 or higher, and it gives consumers the option of increasing the coverage limits of Loss of Earnings, Other Necessary Expenses, or Death Benefits. Purchasing Additional PIP also changes coverage for out of state passengers, so that they too will be covered in the event of an accident anywhere in the United States or Canada. There is also the option of just adding this extension to a No-fault policy, without increasing the benefit amounts of the basic coverage.

OBEL coverage is a different option for increasing the coverage of a No-fault policy. Policyholders that buy this coverage get an additional \$25,000 in maximum benefits. When the basic limit of \$50,000 has been reached, this additional coverage can be applied to whatever type of benefit the injured person chooses, either loss of earnings, rehab, or to all the elements of economic loss.

Insurers are required to offer OBEL to their No-fault insurance policyholders, so consumers can take advantage of the additional coverage if they choose. In both cases, Additional PIP and OBEL, the additional coverage does not extend the three-year limit for payment of wage loss benefits.

### **The Motor Vehicle Accident Indemnification Corporation Act (MVAIC)**

If you are injured in a car accident as a passenger, pedestrian, or bicyclist, you may be eligible to receive money for pain and suffering, and No-Fault insurance benefits that can include the payment of lost wages, medical bills, and other expenses. However, if the party whose insurance is supposed to cover you is uninsured, or if you are the victim of a hit-and-run accident and there is no insurance coverage, you can file your claim with the New York State Motor Vehicle Accident Indemnification Corporation (MVAIC).

The MVAIC provides indemnification to one who is injured by an uninsured motorist up to the state minimum limits of (\$25,000/\$50,000/\$10,000 - \$50,000/\$100,000). All insurers writing insurance in New York must participate.

The MVAIC can compensate you for expenses such as lost wages, medical bills, and bodily injuries. To be eligible to file a claim, you must meet the following criteria:

- You were involved in an auto accident in the state of New York;
- You were a legal resident of New York when the accident occurred;
- Neither you nor anyone in your household has automobile insurance; and,
- Neither you nor your spouse is the owner of the vehicle that was involved in the accident.

### **Uninsured/Underinsured Motorist (UM/UIM) Insurance**

Besides requiring Liability insurance and No-fault insurance, New York also requires Uninsured/Underinsured Motorist coverage for every auto policy issued in the state. This insurance pays the policyholder for bodily injury or death that is caused by the driver of an uninsured vehicle. Any of the following would be considered an uninsured vehicle:

- Stolen or unregistered vehicles
- Vehicle driven without the owner's permission
- Vehicle used in a hit-and-run accident
- Vehicle registered but insurance not yet in effect
- Vehicle for which insurer denies coverage

Uninsured/Underinsured Motorist coverage can also indemnify the policyholder if another person's insurer becomes insolvent before paying damages it owes to the insured. It is important to note that Uninsured/Underinsured Motorist insurance does not cover damage to vehicles or other property, just bodily injury. Physical damage coverage can be added by endorsement, however.

\*New York requires vehicle owners to carry UM/UIM coverage in the same amounts that it does for Liability Coverage — \$25,000 for bodily injury for one person or \$50,000 per accident and \$50,000 for wrongful death for one person or \$100,000 per accident, or 25/50/100.

### **Supplementary Uninsured/Underinsured Motorist (SUM) Coverage**

For an additional premium, policyholders in New York can purchase higher coverage limits in the form of Supplementary Uninsured/Underinsured Motorist (**SUM**) coverage, up to the amount of bodily injury liability that is included in their policy. Insurers are required to offer up to \$250,000 per person and \$500,000 per accident, but they are allowed to offer even more if they choose.

Insurers must give all their motor vehicle policy owners a written notice explaining that SUM coverage is available, what the increased limits are, and how SUM differs from the basic uninsured motorist insurance coverage. This notice should also include examples demonstrating how SUM works in practice.

SUM coverage has a number of advantages over the basic Uninsured Motorist coverage. The maximum benefit is larger of course. Another advantage is that it will provide coverage for accidents that occur

anywhere in the United States or Canada, unlike Uninsured/ Underinsured Motorist, which only covers accidents that take place in the state of New York.

Supplementary Uninsured/Underinsured Motorist also provides coverage if a policyholder has an accident with a vehicle that is insured, but has bodily injury liability limits lower than his own. First, any other payments would be recovered as due to the policyholder, and then the SUM coverage would kick in up to the maximum limit purchased. This means that the policyholder and any family members who live with him will always be protected up to at least the amount of SUM coverage the insured has purchased.

### **Stacking?**

UM/UIM and Supplementary UM/UIM coverages may not be stacked. This means that, if the insured has multiple UM/UIM coverages, or multiple covered autos, in a single policy, he may not combine them to pay for one accident. However, if the insured has more than one insurance policy containing UM/UIM or Supplementary UM/UIM coverage, he may apply those separate policies to a single claim, if needed.

### **New York Automobile Inspection Law**

In order to contain costs and reduce fraud, New York requires insurance companies to inspect all private passenger autos before they issue a new policy or an endorsement. These inspections must be made by an authorized company representative at a time and place that is convenient for the vehicle owner.

After making the inspection, the insurer must record its findings on a report called the Automobile Insurance Inspection Report, which it will keep on file. This report will include pictures, including a picture of the EPA sticker, and can then be used to recall the condition of the vehicle before any damage was done in the case of an accident.

There are instances when the mandatory inspection can be waived:

- A new auto purchased from a franchise where the dealer provides the insurance company with a copy of the bill of sale including all particulars of the car
- An auto insured under a fleet policy of five or more vehicles
- An auto that is at least six years old
- An additional or replacement auto (if the insured has been continuously covered by the insurer for at least four years)
- A temporary substitute automobile
- An auto rented or leased for six months or less (if the insurer receives a copy of the lease that contains a description of the condition of the auto)

### **Cancellation or Nonrenewal of a Motor Vehicle Policy**

A policyholder may cancel a policy at any time by returning the policy to the insurer, or by giving the insurer advance notice of the date the cancellation will take place. For the insurer, there are a number of restrictions on how they can proceed when cancelling a policy or deciding not to renew it. Let's take a look at those restrictions now.

An insurer may NOT cancel or refuse to renew a policy on the basis of age, race, color, religion, sex, or national origin or ancestry. For the first 60 days of the policy, an insurer is able to cancel a policy, but the notice of cancellation must include the reason. After the policy has been in effect for 60 days, the insurer can only cancel a policy for approved reasons.

#### **Approved reasons for cancelling/nonrenewing a policy:**

An insurer can cancel or non-renew a policy for, or because of:

- Non-payment of premiums
- Fraudulent misrepresentation on an application or a claim
- The insured, a member of the household, or someone who regularly uses the car:
  - Has license revoked or suspended during policy period
  - Has a conviction for any of the following:
    - Criminal negligence resulting in death, homicide, or assault while driving
    - Driving while impaired by drugs or alcohol
    - Leaving an accident scene or avoiding arrest while in vehicle
    - Driving without a valid driver's license
    - Reckless driving or racing
    - Committing a felony while in vehicle
    - Allowing an unlicensed person to operate the vehicle

#### **Notice of Cancellation**

An insurer must give notice of cancellation in the following instances and within the following time frames:

- For non-payment of premiums: the insurer must notify the policyholder in writing at least 15 days prior to cancellation.
- For all other reasons: the insurer must notify the policyholder in writing at least 20 days before coverage ends.

#### **Written notice must include:**

An insurer's notice of cancellation must include the following:

- The reason for cancellation; and,
- Amount due if reason is non-payment of premium

The insurer may choose to change limits in the policy or eliminate some non-required coverage rather than cancel the policy. In this case, the insurer must provide the policyholder with 20 days written notice of the change in coverage.

**Notice of Nonrenewal**

For nonrenewal, the insurer must notify the policyholder in writing at least 45 days but not more than 60 days before the end of the policy period, and state the reason for nonrenewal. When policy periods are longer than one year, the insurer only has the right to non-renew the policy at each anniversary of its original effective date.

**Choice of Repair Shop**

When an insured's vehicle has been damaged in a collision, he has the right to pick the repair shop of his choice. The insurer cannot require that a particular shop does the repairs. However, if the insured asks for advice, the insurer can make a recommendation. The only exception to this is if the claim involves window glass only. In that case the insurer can specify which repair shop to use to repair the damaged window glass.

**Supplemental Spousal Liability**

While liability insurance provides coverage for passengers in your car that might be injured in an accident caused by the driver's negligence, it most likely will not include that coverage if the injured passenger is your spouse.

However, insurers are required to give their policyholders the opportunity to purchase something called Supplemental Spousal Liability coverage. Supplemental Spousal Liability extends coverage to the insured's spouse in the event that he or she is injured or killed in an accident caused by the insured's negligence.

Some insurance companies provide Supplemental Spousal Liability at no charge, but you will most likely have to pay an additional premium to get this coverage.

**Selected New York Endorsements**

Motor vehicle policyholders can customize their coverage with endorsements, which change the policy by adding or modifying specific sections of the coverage. Here are some of the most commonly desired endorsements available to drivers in New York.

**Amendment of Policy Provisions – New York – PP 01 79**

Like most states, New York has an amendment to the Personal Auto Policy that includes the state's laws and regulations that may be slightly different from what is on the ISO auto policy form that most states use. This endorsement is attached to every personal auto policy sold in New York: Here's how this amendment alters the standard ISO policy.

**Towing and Labor Costs – PP 03 03**

Pays for repair costs at the place where a vehicle was disabled or towing costs to a location where the repair can take place.

**Miscellaneous Type Vehicles – PP 03 29**

This endorsement can be added to provide insurance coverage for recreational vehicles like motor homes, motorcycles, snowmobiles, etc. that are not covered by the personal auto policy.

**Named Non-Owner Coverage – PP 03 30**

Provides coverage for a person who does not own her own vehicle but needs coverage when operating the vehicles of others.

**Rental Vehicle Endorsement – PP 03 46**

Provides no-fault coverage for damage to or loss of a vehicle rented by an insured when under a rental agreement with a term of 30 days or less. Covers rented vehicles when used for personal or business use, but not if used to transport people or property for hire.

Joint Ownership Coverage – PP 03 78

Covers individuals who are not husband and wife but who live in the same household or non-resident relatives who jointly own a private passenger auto or van that is not used for delivery or transportation of goods.

Out of State Coverage

To register and drive a car in New York you need at least 25/50/10 of liability coverage. But what if you get into an accident when you are travelling in a state that requires higher limits of liability? The Out of State provision says that, if you have met the liability requirements of your home state, your policy will expand to meet the minimum requirements of the state or province where the accident occurred.

Personal Injury Protection Coverage – PP 05 87

This is mandatory coverage in New York. For a full description, see the section of this document above entitled No-Fault Insurance (Personal Injury Protection).

Additional Personal Injury Protection Coverage – PP 05 88

This endorsement broadens coverage under Personal Injury Protection to provide additional first-party benefits to reimburse policyholders for extended economic loss. This coverage applies when the insured suffers personal injuries caused by an accident anywhere in the U.S. or Canada. This endorsement can also increase death benefit limits.

Personal Injury Protection Coverage (Motorcycles) – PP 05 89

This endorsement provides first-party benefits for an “eligible injured person” whose injuries are caused by an accident involving the insured motorcycle. An “eligible injured person” is someone who is hurt by the insured motorcycle while not occupying the insured motorcycle or any other motorcycle or vehicle. This coverage applies only to motorcycle accidents occurring during the policy period and within the state of New York.

Exclusion of Medical Expense from Personal Injury Protection – PP 05 92

This endorsement lets a policyholder save money on his premium by excluding medical expense coverage from PIP, as long as he has that coverage from another company. When a loss occurs, any medical expenses paid by the other company will reduce the \$50,000 aggregate limit of liability offered by the policyholder’s PIP. This endorsement applies as long as the insured has medical expense coverage from the other company. If that coverage ends, this endorsement will no longer be in effect (that is, PIP *will* cover medical expenses), and the premium will be adjusted accordingly.

**Definitions**

- Property Damage – is amended to mean physical injury to, destruction of, or loss of use of property. This amendment expands coverage to *non-tangible property* such as electronic data.
- Covered Auto – is amended to allow policyholders who acquire a new car 30 days to ask the insurer to add or continue Coverage for Damage to Your Auto. Also, use of a Vehicle is expanded to include its loading and unloading.

**Part A - Liability Coverage**

- The New York Amendment includes *damages for care and loss of services*. This addition means that New York auto policies will cover long-term care in a rehab setting.
- The Amendment clarifies that, in New York, insurers will defend policyholders from claims or suits *even if they are groundless*. The wording directs insurers to fulfill their responsibility to defend the policyholder from claims and lawsuits.

- In Supplementary Payments, coverage is extended to include expenses the insured may spend *giving first aid to others at the time of the accident and any costs taxed against the insured in a suit the insurer defends.*
- Exclusions is amended to: exclude not only someone who intentionally causes bodily injury or property damage, but also someone who directs another person to cause bodily injury or property damage, as well as property damage to property rented to, used by, or in the care of such person.
- Exclusions is amended to provide physical damage coverage for some non-owned autos and trailers by providing coverage for private passenger autos, trailers, pickups, and vans not rented to, owned by, or furnished or available for the regular use of the insured or family members.
- The Amendment takes out the nuclear energy liability exclusion so that if an insured who has a nuclear energy liability policy (and also a Personal Auto Policy) gets into an auto accident and is liable for bodily injuries, the PAP will cover the damages.
- The Spousal Liability Exclusion removes coverage for an insured's legal liability for bodily injury to their spouse.
- Endorsement changes to provide coverage for the named insured's maintenance or use of a vehicle that is owned by a family member or furnished or available for regular use.
- Exclusion for racing is deleted from New York Amendment.

#### **Limit of Liability**

The New York Amendment's Limit of Liability for bodily injury section completely replaces what is on the ISO auto policy form. The Amendment has two different versions: one that is used when limits are \$100,000 per person, \$200,000 per accident or greater; another that is used when the limits are less than that.

For the higher limits, the Amendment states that the limit of liability per person shown in the Declarations is the maximum limit of liability for all damages resulting from an auto accident for bodily injury to one person, whether or not the injury leads to death.

When the limits are less than \$100,000 per person and \$200,000 per accident, an automatic per person limit of \$50,000 applies in the case of death; \$100,000 for the death of two or more people.

The maximum limit of liability is the most the insurer will pay regardless of the number of insureds; claims made; vehicles or premiums shown in the Declarations or; vehicles involved in the auto accident.

#### **Part C - Uninsured Motorist Coverage**

The New York Amendment deletes this section because UM and SUM are provided on separate forms to policyholders in New York.

#### **Part D - Coverage for Damage to Your Auto**

In the New York Amendment to this section, it is specified that non-owned auto does not include:

- Any vehicle owned by a person who rents or leases cars
- Any vehicle rented or leased to the insured or a family member

An exclusion is added stating that the insurer will not pay for:

- Total loss of covered auto or non-owned auto due to destruction or confiscation by government or civil authorities because of being involved in criminal activities or failure to comply with EPA or Department of Transportation standards (however this exclusion does not apply to loss payees who suffer damage due to your covered auto)

The following is added to the **Mandatory Inspection** section:

- Insurer has the **right to inspect** any vehicle the insured intends to insure for Physical Damage Coverage, up to the limits of New York law
- Insured must notify the insurer within 3 business days and request coverage in order for a new vehicle to be protected by Damage to Your Auto coverage. The new auto will be automatically covered for 3 business days if the vehicle it is replacing was covered for the previous 12 months
- Insured must make the vehicle available for inspection

In the Auto Repairs section, the New York Amendment clarifies that insurers must pay damages even if the insured decides not to make the repairs. However, the insurer is entitled to receive from the insured:

- 1) a Certification of Auto Repairs;
- 2) an itemized repair bill (if repair is done); and,
- 3) an inspection of the vehicle, whether or not it was repaired.

In **Recovery of Stolen or Abandoned Autos**, the Amendment gives New York insurers the right to take custody of an insured's vehicle for purposes of keeping it safe if it has been stolen or abandoned and the insurer finds out where it is.

There is also a **Waiver of Collision Deductible** if there is a loss on an insured's covered auto *if the loss is caused by an accident with an auto that is insured by the same company.*

In **Payment of Loss**, the Amendment states that the insurer may pay for loss or the cost to repair or replace damaged or stolen property. The insurer may return at their own expense stolen or damaged property to the policyholder and will pay for any loss resulting from the theft, but has the right to keep any property it deems a total loss.

#### Part E - Duties After an Accident or Loss

The New York Amendment completely replaces the ISO version, so we will provide it here.

In order to receive coverage after an accident or loss, policyholders must:

- 1) Notify the insurer as soon as reasonably possible as to what happened, when, and where, including the names and addresses of any injured persons and any witnesses.
- 2) Cooperate with the insurer in the investigation, settlement, or defense of claim or suit
- 3) Provide insurer with copies of notices or legal papers as soon as reasonably possible
- 4) Submit to physical exams by doctors chosen (and paid for) by the insurer
- 5) Submit to examination under oath
- 6) Authorize insurer to obtain medical reports and other pertinent records
- 7) Submit proof of loss when required by insurer

A claimant for **Uninsured Motorist Coverage** must also:

- **Notify the police** as soon as reasonably possible if hit-and-run has occurred.

A claimant for Coverage for Damage to Your Auto must also:

- Take reasonable steps to protect auto from further loss
- Promptly notify police if auto is stolen
- Permit the insurer to inspect damaged property before repair or disposal

#### **Part F - General Provisions**

The **Fraud** provision is amended in New York to say: Insurer will provide coverage to insured for damages to any person who has not made fraudulent statements if the damage results from an accident that is covered under the policy. Simply put, if a policyholder commits fraud (perhaps misrepresenting the truth) but the person who was damaged did not and the accident would be covered under the insurance policy, the insurance company will pay the damages.

The **Legal Action Against Us** provision adds the following requirement: the insured and the claimant, along with the insurer, must sign a written agreement stating that the insured must pay for damages (or the amount she has to pay must be determined in court) before she can take legal action against the insurer. The amendment to this section also clarifies that no person or organization has the right under this policy to bring the insurer to court in order to determine the liability of an insured.

New York's Amendment to the **Termination** section completely replaces what is in the ISO form. For full details of Cancellation and Nonrenewal see this document in the section above entitled **Cancellation or Nonrenewal of a Motor Vehicle Policy**.