



LEGISLATIVE POSITION

PROFESSIONAL INSURANCE AGENTS OF NEW YORK STATE INC.

25 Chamberlain St.
PO Box 997
Glenmont, NY
12077-0997
(518) 434-3111
(800) 424-4244

**LEGISLATIVE
REPRESENTATIVE**
The Roffe Group P.C.

**DIRECTOR OF
GOVERNMENT &
INDUSTRY AFFAIRS**
Bradford J. Lachut, Esq.

**EXECUTIVE
DIRECTOR**
Kelly K. Norris, CAE

**Memorandum in support of: S.6028—by Sen. Breslin
A.6877—by MOA Zebrowski**

AN ACT to amend the Insurance Law, in relation to inspections of private-passenger automobiles prior to the provision of coverage for physical damage thereto

PIANY supports this proposal that would allow automobile insurance companies to waive the photo inspection requirement for some or all insured vehicles when the insurance policy includes coverage for physical damage.

Under current regulations, drivers in New York must obtain an inspection of their vehicle within 14 days of obtaining physical damage coverage for their vehicle. The inspection entails bringing their vehicle to a designated inspection site operated by a third-party, who then takes photographs of the vehicle with a standard tablet, digital camera or other readily available device with a built-in camera function. Travel to an inspection site may be burdensome for many New Yorkers, especially with the time requirements and limits in operating hours. New York law requires an insurance company to cease physical damage coverage for any driver who fails to obtain the inspection within the 14-day time frame. Drivers would have already paid for the coverage and may not be aware of the abrupt cancellation. This creates a high risk that they may not have the coverage in place they already purchased.

Technological and underwriting changes since these requirements went into effect several decades ago render any previous need for independent photographs for verification outdated and unnecessary. Since New York Insurance Law Section 3411 and Regulation 79 went into effect, insurance companies have developed far more advanced methods to verify coverage and underwrite policies. Technological advancements have made it far easier for individuals to document and submit information directly to insurance companies as requested, rendering such specific legal requirements obsolete.

The proposed legislation provides insurance companies the opportunity to waive the New York Insurance Law Section 3411 and Regulation 79 verification requirements to provide physical damage coverage for drivers. Insurance companies that no longer find a need for the independent verification for vehicles may cease to require the inspections, improving consumer experience and ensuring drivers have the coverages they paid for.

For these reasons, PIANY supports this legislation to allow insurance companies to better structure their policies to reflect current technology and greatly improve the process of obtaining physical damage coverage for drivers across the state.