



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

David A. Paterson  
Governor

Eric R. Dinallo  
Superintendent

Circular Letter No. 17 (2008)  
August 6, 2008

TO: All Property/Casualty Insurers Writing Personal Lines Automobile Insurance

RE: The Impact of Gasoline Prices on Driving and Proposed Automobile Insurance Rates

STATUTORY REFERENCE: N.Y. Insurance Law §§ 107, 201, and 301 and Arts. 23 and 34.

In accordance with this Circular Letter, property/casualty insurers that have pending rate filings before the Insurance Department for Private Passenger automobile insurance must supplement such filings with a written analysis of how the effects of the rising price of gas in New York are reflected in their rate level indications and rate requests. Any proposed changes in classifications that impact rates must also contain that analysis.

Consumers have responded, and will continue to respond, to the economic reality of increased fuel costs by reducing their driving, which should, in time, lead to a reduction in auto claims costs. The Insurance Department believes this analysis needs to be considered by an insurer when proposing or implementing any prospective rate change. All insurers with filings pending before the Insurance Department should submit the aforementioned supplement as a prerequisite to the Department approving the filing. Any new filings submitted subsequent to the date of this Circular Letter must also include such an analysis.

The Department will not require a specific form or methodology for this analysis. Any questions regarding this Circular Letter should be directed to Casualty Actuarial by e-mail at [DrivingGasPrice@ins.state.ny.us](mailto:DrivingGasPrice@ins.state.ny.us) or by telephone to Bruce Green, Supervising Actuary at 212 480-5522.

Very truly yours,

Michael Moriarty  
Deputy Superintendent  
Property and Capital Markets Bureau