



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

Circular Letter No. 2 (2018)

April 12, 2018

TO: All Property/Casualty insurers authorized to write commercial automobile coverage in New York

RE: Commercial Global Positioning Systems

STATUTORY REFERENCES:

Just a few days ago we witnessed a horrible incident on the Southern State Parkway on Long Island. A bus carrying high school students collided with an overpass, shearing off the bus's roof and injuring children. News reports indicate that a global positioning system (GPS) was in use but that it was not a commercial or professional model. According to the Federal Motor Carrier Safety Administration¹ a GPS designed for commercial use provides information about route restrictions and low overpasses that are not included in non-commercial GPS.

Although the investigation is not complete as of the date of this circular letter, it appears that the tragedy could have been avoided if a commercial GPS was in use. According to data provided by the New York State Department of Transportation (DOT), more than 700 DOT bridges and overpasses were damaged by overweight vehicles between 2009 to 2015. The State incurred more than \$125 million in costs over the last five years to repair damaged bridges and overpasses across New York.

Property/casualty insurers have the opportunity to be at the forefront in protecting all New Yorkers from avoidable tragedies like the one we have just experienced. The Department of Financial Services believes that property/casualty insurers must specifically consider as a matter of underwriting whether and to what extent the prospective policyholder, or existing policyholder in the case of a renewal policy, utilizes commercial GPS on the insured vehicles. Insurers should assist and encourage policyholders to use only commercial GPS if a GPS is in use at all.

Policyholders that use commercial GPS might reduce potential loss exposure that can be reflected in lower insurance premiums. Insurers are encouraged to develop and file programs and rules in respect of commercial GPS for insurance premium discounts.

Sincerely,

Scott Fischer
Executive Deputy Superintendent for
Insurance

¹ See, e.g., <https://www.fmcsa.dot.gov/faq/why-fmcsa-concerned-about-truck-and-bus-drivers%E2%80%99-use-gps-navigation-systems>; https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/GPS_Visor_Card_508.pdf.