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STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

June 4, 1979

ADMINISTRATIVE  
LETTER  

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1979-17

TO THE PRESIDENT OF THE COMPANY ADDRESSED:

Dear Mr. President:

The Bureau of Insurance is currently evaluating the standard forms presently available for writing Automobile Single Interest coverages. We have recently received several filings which seek to extend or broaden coverages in this area. Recognizing that our present standard forms are cumbersome and limited in coverage, and perhaps should be revised, we are considering drafting new standard forms for use in writing Single Interest coverage.

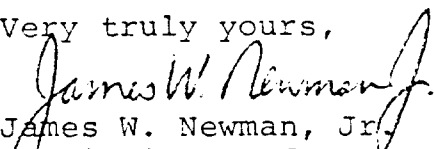
We are contemplating the use of two types of programs. One possible program would be the use of a Master Policy issued to the lending institution, containing a Purchaser's Settlement Option whereby the borrower could have his automobile repaired rather than repossessed, by payment of a deductible. Such a program providing comprehensive and collision coverage would require the issuance of a certificate to each borrower advising him of the coverages available to him under the program. The Master Policy could be scheduled or endorsed to provide certain other coverages to the lender such as: Mechanic's Lien, Binder Coverage, Blanket Protection, Skip Coverage, Conversion, Secretion and Embezzlement, Errors and Omissions, etc. Another type of program could be a Blanket Policy issued to the lending institution which may differ from the present method of providing such coverages.

As indicated, we are not certain as to what approach we might take in this regard, but we do recognize the need for some change in the forms. We are taking this opportunity to advise you of our concern and intention, and to solicit your advice and comments relative to Automobile Single Interest coverages.

We would appreciate your response on or before June 30, 1979.

Thank you for your assistance and cooperation in this regard.

Very truly yours,

  
James W. Newman, Jr.  
Commissioner of Insurance

JWN, Jr/wjs