

Appendix A of insurers which must report because each had written at least one percent of the motor vehicle insurance premiums on a national basis. The list was last amended in a notice published on December 1, 1993 (See 58 FR 63299). One company, United States F & G Group, included in the December 1993 listing, was proposed to be removed from Appendix A. Three companies, General ACC Group, Hanover Insurance Companies, and Safeco Insurance Companies, that were not listed in Appendix A, were proposed to be added.

Each of the 19 insurers listed in Appendix A in this notice would be required to file a report not later than October 25, 1995, setting forth the information required by part 544 for each State in which it did business in the 1992 calendar year. As long as those 19 insurers remain listed, they would be required to submit reports on each subsequent October 25 for the calendar year ending slightly less than 3 years before.

Appendix B lists those insurers that would be required to report for particular States for the calendar year 1992, because each insurer had a 10 percent or greater market share of motor vehicle premiums in those States. Based on the 1992 calendar year A.M. Best data for market shares, it was proposed that one company, Farm Bureau Mutual Insurance Company, Inc., (Kansas Farm Bureau Group (Farm Bureau)), reporting on its activities in the State of Kansas be added to Appendix B.

The 12 insurers listed in Appendix B of this notice would be required to report on their calendar year 1992 activities in every State in which they had a 10 percent or greater market share. These reports must be filed no later than October 25, 1995, and set forth the information required by part 544. As long as those 12 insurers remain listed, they would be required to submit reports on each subsequent October 25 for the calendar year ending slightly 3 years before.

(2) Rental and Leasing Companies

Based on information in *Automotive Fleet Magazine* and *Travel Trade Business Travel News* for 1992, the most recent year that data are available, NHTSA proposes no changes be made in Appendix C. Accordingly, each of the 10 companies (including franchisees and licensees) listed in this notice in Appendix C would be required to file reports for the calendar year 1992 no later than October 25, 1995, and set forth the information required by part 544. As long as those 10 companies remain listed, they would be required to

submit reports on each subsequent October 25 for the calendar year ending slightly less than 3 years before.

NHTSA notes that on July 5, 1994, the Cost Savings Act, (including Title VI-Theft Prevention) was revised and codified "without substantive change." The passenger motor vehicle theft insurers' reporting provisions, formerly at 15 U.S.C. 2032 are now at 49 U.S.C. 33112. This final rule amends part 544 to reflect the changed statutory authority.

Public Comments and Final Determination

1. Insurers of Passenger Motor Vehicles

In response to the NPRM, the agency received responses from two commentors. Both commentors were companies listed in the January 1995 NPRM. Each commentor questioned the appropriateness of its inclusion in one of the appendices.

No comments were received objecting to the deletion of United States F & G Groups from Appendix A. Accordingly, it has been deleted.

Hanover Insurance Companies (Hanover) wrote to request that it not be included in Appendix A. As stated, NHTSA's proposal to include Hanover was based on market share data provided by A. M. Best. Hanover wrote that for 1992 the total premiums for all forms of motor vehicle insurance issued by Hanover and its affiliates were 1,031,862,294 or .97 percent of the entire market. Hanover believes that because the company and its affiliates wrote less than one percent of the total motor vehicle insurance premiums written by all insurers in 1992 that granting an exemption would not significantly affect the validity or usefulness of the information of the reports.

The agency notes that Hanover's total written premiums are less than 1 percent of the total premiums for all forms of motor vehicle insurance issued by insurers within the United States in 1992. Since Hanover does not meet the criteria for inclusion, NHTSA determines that Hanover should not be added to Appendix A.

Farm Bureau Mutual Insurance Company, Inc., (Kansas Farm Bureau Group (Farm Bureau)) wrote that it not be included in Appendix B. As a rationale, Farm Bureau stated that its market share for 1992 was 10.3 percent, however for 1993 the market share was 9.8 percent.

Farm Bureau stated that because a moratorium was placed on its new auto business in 1993, it believes its market share will decrease for 1994. Thus, Farm

Bureau stated it met the 10 percent requirement for only one year. Farm Bureau believes because it has "very few" auto theft claims, and since it will be reporting for only one year, it questions the relevance of providing its statistical data for the purposes of the law. Additionally, Farm Bureau stated that major catastrophes struck the property casualty industry. In 1992, storm claims (tornados) were paid in Kansas totalling in excess of one billion dollars. Farm Bureau has been faced with major financial responsibilities to its policyholders. Therefore, it believes the cost of preparing and furnishing this report (for only one year) is excessive in relation to the size of its business.

As required by 49 U.S.C. 33112(f)(1)(B), a small insurer means an insurer whose premiums for motor vehicle insurance account for less than 10 percent of the total premiums for all forms of motor vehicle insurance issued by insurers in any State. Additionally, section 33112 provides that if an insurance company satisfies the section's definition of small insurer nationally, but accounts for 10 percent or more of the total premiums for all forms of motor vehicle insurance issued by insurers within a particular State, such insurer must report this information about its operation in that State. Therefore, Farm Bureau does not qualify as a "small insurer" because its total premiums written exceeds 10 percent of the total written in Kansas. Since Farm Bureau does not meet the exemption criterion of less than 10 percent of the total premiums written within the State, Farm Bureau should remain listed on Appendix B. However, section 33112(f)(2) states that the Secretary (NHTSA) " * * * shall exempt by regulation a small insurer from this section if the Secretary finds that the exemption will not significantly affect the validity or usefulness of the information collected and compiled under this section, nationally or State-by-State."

Based on Farm Bureau's petition that auto theft claims are 1.3 percent and less than .75 of the 1 percent of its total claims paid, coupled with the financial burdens inflicted on the industry (in Kansas), the agency has determined the exemption authority provided in section 33112(e)(1) and (2) can be applied. Therefore, the agency believes that the cost of preparing and furnishing this report would be excessive in relation to the size of the insurer's business, and the information would not contribute significantly to carrying out NHTS's statutory obligations. Further, by exempting Farm Bureau, it will be relieved of an unnecessary burden.