

“Commissioner” means the Commissioner of the New Jersey Department of Banking and Insurance.

“Department” means the New Jersey Department of Banking and Insurance.

New Rule, R.2006 d.132, effective April 17, 2006.

See: 37 N.J.R. 4859(a), 38 N.J.R. 1743(a).

Former N.J.A.C. 11:4-7.2, Premium charges, recodified as N.J.A.C. 11:4-7.4.

11:4-7.3 Filing requirements

(a) Applications shall be filed with the Commissioner within 20 work days after the insured has signed it or within 20 work days of the inception date of the policy, whichever is earlier. All applications shall be made by filing the appropriate application form included in the Appendix to this subchapter as Exhibits A, B and C, incorporated herein by reference. The application forms are also available on the Department’s website at njdobi.org.

(b) Each application shall include the following information:

1. Name and address of company, and signature by authorized company representative;
2. Name, address, New Jersey license number and signature of producer;
3. Name and address of insured;
4. Effective date and expiration date of policy;
5. Policy number, if available;
6. Coverages applied for, including, but not limited to, limits, amounts of insurance and deductibles;
7. Exposure identification class, territory, description and use of automobile;
8. Premiums:
 - i. The premium developed by the rating system approved for the company for the coverages applied for, identified as “Normal Premium”;
 - ii. The additional premium to be charged in consideration of the additional hazard, identified as “Additional Premium”;
 - iii. The total of the two amounts identified as “Premium Payable”.
9. Underwriting information in support of the additional premium under (a)8ii above. In the case of automobile insurance, liability and physical damage, a copy of the abstract of driving record from the Motor Vehicle Commission shall be submitted. Such abstract is not required if the coverage applied for is excess coverage over the coverages and limits available under any residual market mechanism providing automobile insurance pursuant to statute. In the case of fire insurance, an

inspection report, based upon an inspection performed by a qualified person, shall be submitted.

10. The application shall be signed by the insured and contain the following statement:

“I consent to the premium shown as ‘Premium Payable’ on this application which is higher than would normally apply because of the greater hazard involved.”

11. The application shall contain the following statement signed by the producer of record or by an officer of the company providing the coverage:

“Under penalty of N.J.S.A. 17:29A-16 and N.J.S.A. 17:29A-22, I declare that this application was fully completed as shown, before being signed by the applicant.”

Amended by R.1991 d.3, effective January 7, 1991.

See: 22 N.J.R. 1689(a), 23 N.J.R. 111(a).

In (b): deleted “New Jersey Automobile Insurance Plan” and added text regarding “any residual market mechanism.”

Amended by R.1996 d.4, effective January 2, 1996.

See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Amended by R.2001 d.7, effective January 2, 2001.

See: 32 N.J.R. 3546(a), 33 N.J.R. 101(a).

Recodified from N.J.A.C. 11:4-7.1 and amended by R.2006 d.132, effective April 17, 2006.

See: 37 N.J.R. 4859(a), 38 N.J.R. 1743(a).

Rewrote (a); in (b), made minor grammatical changes; former N.J.A.C. 11:4-7.3, Approval of applications, recodified as N.J.A.C. 11:4-7.5.

11:4-7.4 Premium charges

(a) Premium charges in excess of those produced by the rating system approved for the submitting company shall be reasonable and adequate and not unfairly discriminatory, and shall be proportionate to the additional hazard, subject to the following provisions on business for which coverage is available under any residual market mechanism created by statute:

1. Insurance available from these plans shall be rated in accordance with the rating systems approved for these facilities, and the procedures applicable to such business shall be followed, if written under the Consent to Higher Rate provision. Any surcharges to be applied to such business shall be documented by any required inspection report.
2. An insured qualifying for coverage under these plans shall not be offered coverage at lower limits, lower amounts or otherwise reduced coverage except at a proportionate reduction in the otherwise applicable premium.
3. If an insured eligible for insurance from these plans requests limits or amounts of insurance higher than available thereunder, the excess portion may be written at rates higher than produced by the company’s rating system, subject to the standards set forth above.

Amended by R.1991 d.3, effective January 7, 1991.

See: 22 N.J.R. 1689(a), 23 N.J.R. 111(a).

In (a): deleted "New Jersey Automobile Insurance Plan" and added text regarding "any residual market mechanism..."

In (a)1: deleted text defining documentation by motor vehicle reports for automobile insurance and reference to cases of fire and crime insurance.

Amended by R.1996 d.4, effective January 2, 1996.

See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Recodified from N.J.A.C. 11:4-7.2 and amended by R.2006 d.132, effective April 17, 2006.

See: 37 N.J.R. 4859(a), 38 N.J.R. 1743(a).

In (a)1, substituted "shall" for "must".

11:4-7.5 Approval of applications

(a) The Commissioner shall approve applications complying with the requirements contained in N.J.A.C. 11:4-7.1 through 7.4 on a current basis, and shall provide notice of such approval to the submitting carrier.

(b) The Commissioner shall disapprove applications that fail to comply with any of the requirements in N.J.A.C. 11:4-7.3 and 7.4, or do not meet the requirement of being reasonable and adequate and not unfairly discriminatory, and shall provide notice of such disapproval to the company, the producer of record and the insured.

(c) The company and the insured shall have the same legal remedies as are available in the case of disapproval of any rate filing.

(d) If a filing is disapproved, the policy with respect to which the filing had been made may be cancelled by the

company on the basis of the premium that is applicable under the rating system approved for the company (normal premium), but such cancellations must be on a pro rata basis. However, if a disapproval is sustained upon an appeal by the insured, cancellation shall be pro rata on the basis of the "premium payable" as defined above.

(e) If the company wishes to continue the policy in force after the "consent to rate" filing has been disapproved, it may do so by charging the normal premium as of the policy's inception date.

(f) Nothing in this subchapter shall prevent a company from filing a rate that produces a premium lower than that produced by the approved rating system, including the rating systems applicable under any residual market mechanism created by statute.

Amended by R.1991 d.3, effective January 7, 1991.

See: 22 N.J.R. 1689(a), 23 N.J.R. 111(a).

In (f): deleted text regarding "New Jersey Automobile Insurance Plan" and added reference to "... any residual market ... but not limited to."

Amended by R.1996 d.4, effective January 2, 1996.

See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Amended by R.2001 d.7, effective January 2, 2001.

See: 32 N.J.R. 3546(a), 33 N.J.R. 101(a).

Recodified from N.J.A.C. 11:4-7.3 and amended by R.2006 d.132, effective April 17, 2006.

See: 37 N.J.R. 4859(a), 38 N.J.R. 1743(a).

Rewrote (a) and (b); in (f), substituted "subchapter" for "regulation".