

Amended by R.1977 d.437, effective January 1, 1978.
 See: 9 N.J.R. 435(d), 9 N.J.R. 586(b).
 Amended by R.1983 d.190, effective June 6, 1983.
 See: 15 N.J.R. 231(a), 15 N.J.R. 927(a).
 Recodified from 11:3-8.1. Replaced (d).
 Amended by R.1986 d.418, effective October 6, 1986.
 See: 18 N.J.R. 1079(a), 18 N.J.R. 2039(a).
 Emergency Amendment, R.1990 d.626, effective November 26, 1990,
 operative April 1, 1991 (expired January 25, 1991).
 See: 22 N.J.R. 3766(b).
 Recodified from 11:3-8.2. In (f)li, added notice of eligibility points
 and added ii-iv.
 Adopted Concurrent Proposal, R.1991 d.89, effective January 25, 1991,
 operative April 1, 1991.
 See: 22 N.J.R. 3766(b), 23 N.J.R. 507(a).
 Provisions of emergency amendment R.1990 d.626 readopted without
 change.
 Amended by R.1991 d.45, effective February 4, 1991.
 See: 22 N.J.R. 1678(a), 23 N.J.R. 306(b).
 In (f): revised address in (f)2i and deleted NJAFIUA reference in (f)3,
 adding text "... a residual market mechanism created by statute."
 Amended by R.1998 d.43, effective January 20, 1998.
 See: 29 N.J.R. 3107(a), 30 N.J.R. 366(b).
 In (f), added 3 and 4.
 Amended by R.1999 d.270, effective August 16, 1999.
 See: 30 N.J.R. 2564(a), 31 N.J.R. 2383(b).
 In (b), rewrote the last sentence; rewrote (c); in (f), changed N.J.A.C.
 references throughout, rewrote the introductory paragraph in 1, deleted
 "applicable to the nonstandard rate level of an approved standard/non-
 standard rating plan" following "rules" in the first sentence of lii, and
 deleted a former 4; and rewrote (i).
 Amended by R.2001 d.44, effective February 5, 2001.
 See: 32 N.J.R. 3891(a), 33 N.J.R. 573(a).
 In (a), substituted "policyholder" for "in a policy"; and in (f), inserted
 "named policyholder" following "to the insured".
 Amended by R.2003 d.498, effective December 15, 2003.
 See: 35 N.J.R. 3081(a), 35 N.J.R. 5601(a).
 Rewrote the section.
 Amended by R.2008 d.380, effective December 15, 2008 (operative
 January 1, 2009).
 See: 40 N.J.R. 3572(a), 40 N.J.R. 6970(b).
 Section was "General provisions". In (a), deleted "or conditioned
 renewal as specified in (h) below" following "nonrenewal"; in the intro-
 ductory paragraph of (b)1, inserted the last two sentences; added (b)1i
 and (b)1ii; in (b)2i, substituted "to" for "of" following "notice"; in
 (b)2ii, substituted "(b)1ii above" for "N.J.A.C. 11:3-19A.7(g)"; in (d),
 substituted "(c)" for "(b)"; deleted former (e) and (h); recodified former
 (f) and (g) as (e) and (f); in (f), deleted "the provisions of" following
 "pursuant to" and substituted "all applicable provisions of this
 subchapter" for "such provisions".

Case Notes

Nonmailing or mailing of renewal offer for New Jersey Automobile
 Full Insurance Underwriting Association policy by mail less than 30
 days before expiration date results in coverage beyond expiration date
 for reasonable period. *Gatto v. New Jersey Auto. Full Ins. Underwriting
 Ass'n*, 284 N.J.Super. 665, 666 A.2d 204 (A.D.1995).

Notices of nonrenewal must be sent in strict compliance with statutory
 provisions. *Lopez v. New Jersey Auto. Full Ins. Underwriting Ass'n*,
 239 N.J.Super. 13, 570 A.2d 994 (A.D.1990), certification denied 122
 N.J. 131, 584 A.2d 206.

Renewal policy need not be issued until premium is paid. *Lopez v.
 New Jersey Auto. Full Ins. Underwriting Ass'n*, 239 N.J.Super. 13, 570
 A.2d 994 (A.D.1990), certification denied 122 N.J. 131, 584 A.2d 206.

Insurance agent who continued to service insurer's policyholders sub-
 sequent to termination with insurance company, established prima facie
 case of quasi-contract. *Cohen v. Home Ins. Co.*, 230 N.J.Super. 72, 552
 A.2d 654 (A.D.1989).

Policy binder in effect for more than 60 days held to provide coverage
 in absence of formal notice of cancellation, despite lack of any premium
 payment and knowledge that insurer would not issue policy. *Miney v.
 Baum*, 170 N.J.Super. 282, 406 A.2d 234 (Law Div.1979).

Provision that no insurer shall refuse to renew coverage without
 consent of the Commissioner upheld against constitutional challenges.
Sheeran v. Nationwide Mutual Insurance Co., Inc., 80 N.J. 548, 404
 A.2d 625 (1979).

Under assigned risk automobile insurance plan, 45 day notice sufficed
 for non-renewal expiration; broker held to have breached duty to insured
 in failing to advise him of ramifications of expiration. *Commercial
 Union Assurance Companies v. State Farm Mutual Automobile Insur-
 ance Co.*, 158 N.J.Super. 326, 385 A.2d 1286 (Law Div.1978).

Proof of mailing of notice of cancellation held to be conclusive proof
 of provision of such notice to insured. *Weathers v. Hartford Insurance
 Group*, 77 N.J. 228, 390 A.2d 548 (1978).

Insured's latest accident justifies insurer declining coverage. *Hakim v.
 State Farm Insurance Company*, 97 N.J.A.R.2d (INS) 20.

11:3-8.4 Standards for nonrenewals—eligible persons

(a) Subject to the limitation set forth in N.J.A.C. 11:3-8.7,
 an insurer may issue a notice of nonrenewal to a named in-
 sured who is an eligible person, in the following instances:

1. In accordance with N.J.S.A. 17:29C-7.1f, when the
 policyholder or other person insured under the policy either
 has:

- i. Provided false or misleading information in con-
 nection with an application or renewal of coverage, or as
 part of a claim for benefits; or
- ii. Failed to provide the minimum information nec-
 essary to accurately rate the policy or renewal;

2. In accordance with N.J.S.A. 17:29C-7.1b, an insurer
 may nonrenew the policies of two percent of the insurer's
 in force voluntary market policies in each rating territory;
 or

3. In accordance with N.J.S.A. 17:29C-7.1c, an insurer
 may nonrenew one automobile for each two automobiles
 written by the insurer during the same calendar year and in
 the same rating territory.

Amended by R.1983 d.190, effective June 6, 1983.

See: 15 N.J.R. 231(a), 15 N.J.R. 927(a).

Recodified from 11:3-8.1(e)-(g).

Amended by R.1986 d.418, effective October 6, 1986.

See: 18 N.J.R. 1079(a), 18 N.J.R. 2039(a).

Emergency Repeal and New Rule, R.1990 d.626, effective November
 26, 1990, operative April 1, 1991 (expired January 25, 1991).

See: 22 N.J.R. 3766(b).

Recodified from 11:3-8.3.

Adopted Concurrent Proposal, R.1991 d.89, effective January 25, 1991,
 operative April 1, 1991.

See: 22 N.J.R. 3766(b), 23 N.J.R. 507(a).

Provisions of emergency repeal and new rule R.1990 d.626 readopted
 with changes.

Amended by R.1999 d.270, effective August 16, 1999.

See: 30 N.J.R. 2564(a), 31 N.J.R. 2383(b).

In (a)3, substituted "filed and approved underwriting rules" for "un-
 derwriting rules filed and approved pursuant to N.J.A.C. 11:3-35" at the
 end; and in (b), substituted a reference to tier rating plans for a reference
 to standard/nonstandard rating plans, and changed N.J.A.C. reference.

Amended by R.2003 d.498, effective December 15, 2003.

See: 35 N.J.R. 3081(a), 35 N.J.R. 5601(a).

Rewrote (a)1.

Repeal and New Rule, R.2008 d.380, effective December 15, 2008 (operative January 1, 2009).

See: 40 N.J.R. 3572(a), 40 N.J.R. 6970(b).

Section was "Standards of nonrenewal-ineligible persons".

Amended by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

In the introductory paragraph of (a), updated the N.J.A.C. reference, substituted "a" for "the" preceding "named", and inserted "who is an eligible person"; in (a)2, inserted "or" at the end; in (a)3, substituted a period for "; or" at the end; and deleted (a)4.

11:3-8.5 Standards for nonrenewals—ineligible persons

(a) An insurer may issue a notice of nonrenewal to any ineligible person pursuant to N.J.A.C. 11:3-34.4.

(b) For the purpose of determining whether a person is an eligible person pursuant to N.J.A.C. 11:3-34.4, an insurer shall consider those accidents and violations accrued only in the experience period set forth in its acceptance criteria for renewal business established in accordance with N.J.A.C. 11:3-8.12.

(c) An insurer may issue a notice of nonrenewal to insureds who are ineligible persons for failure to meet the insurer's acceptance criteria in an amount not to exceed two percent of the insurer's in force voluntary market policies in each rating territory.

New Rule, R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

Former N.J.A.C. 11:3-8.5, Issuance of nonrenewal notices, recodified to N.J.A.C. 11:3-8.6.

Amended by R.2012 d.145, effective August 20, 2012.

See: 44 N.J.R. 1313(a), 44 N.J.R. 2129(b).

Rewrote (b).

11:3-8.6 Issuance of nonrenewal notices

(a) A notice of nonrenewal shall not be valid unless it is mailed or delivered by the insurer to the insured no less than 60 days and no more than 90 days prior to the expiration of the current policy, except that the Commissioner may direct by Order that a notice of nonrenewal must be mailed or delivered up to 90 days prior to the expiration of the current policy. No such order shall be applicable to nonrenewal notices issued within 30 days after the date of the order. A notice of nonrenewal shall not be valid unless it specifies the reason(s) underlying the action being taken. Nonrenewal notices based on the insured's failure to meet the insurer's acceptance criteria shall identify the specific acceptance criteria that the insured being non-renewed has failed to

fulfill. Non-renewal notices shall identify the specific facts relied upon by the insurer in determining to non-renew the insured, including dates and other facts necessary to identify the incident(s), which form the basis for the insurer's determination to nonrenew the policy.

1. In the event action is being taken under N.J.A.C. 11:3-8.4(a)2 or 3, or which would be subject to N.J.A.C. 11:3-8.5(c), the notice shall also specify that the action is being taken in accordance with N.J.A.C. 11:3-8.4(a)2 or 3 or is subject to N.J.A.C. 11:3-8.5(c), as applicable, and shall be consecutively numbered in each territory.

(b) Notices of nonrenewal shall include or be accompanied by the statement prescribed in (b)1 below, which shall be clearly and prominently set out in boldface type or other manner, which draws the reader's attention.

1. "If you have reason to believe that our decision to nonrenew your policy is not in compliance with New Jersey Regulation N.J.A.C. 11:3-8, you may file a written complaint with the New Jersey Department of Banking and Insurance, Office of Consumer Protection Services, PO Box 329, Trenton, NJ 08625-0329, or electronically at www.njdobi.org. Your written complaint should indicate the facts on which you are basing your complaint."

(c) A notice of nonrenewal shall not be effective unless (c)3 below and either (c)1 or 2 below are satisfied:

1. The notice is sent by certified mail; or

2. The notice is sent by regular mail and at the time of the mailing of the notice the insurer has obtained from the U.S. Postal Service a date-stamped proof of mailing showing the name and address of the insured; and

3. The insurer retains a duplicate copy of the mailed notice of non-renewal that is certified to be a true copy.

Repeal and New Rule, R.1999 d.270, effective August 16, 1999.

See: 30 N.J.R. 2564(a), 31 N.J.R. 2383(b).

Section was "Additional nonrenewals".

Repeal and New Rule, R.2008 d.380, effective December 15, 2008 (operative January 1, 2009).

See: 40 N.J.R. 3572(a), 40 N.J.R. 6970(b).

Section was "Other nonrenewals-standards".

Recodified from N.J.A.C. 11:3-8.5 and amended by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

In (a)1, inserted "or 3, or which would be subject to N.J.A.C. 11:3-8.5(c)" and "also", and substituted "or 3 or is subject to N.J.A.C. 11:3-8.5(c), as applicable," for "(two percent territorial nonrenewal)"; and deleted (a)2. Former N.J.A.C. 11:3-8.6, Limitations on nonrenewal, recodified to N.J.A.C. 11:3-8.7.

11:3-8.7 Limitations on nonrenewal

(a) No insurer shall nonrenew a policy based on N.J.A.C. 11:3-8.4(a)1i without having first conducted an investigation and reported the matter in accordance with the insurer's Fraud Detection and Prevention Plan.

(b) No insurer shall nonrenew a policy for failure to complete and return a renewal questionnaire without having first given written notice to the policyholder one full policy cycle prior to the issuance of the notice of nonrenewal that:

1. At the next renewal, the insurer shall send the policyholder a renewal questionnaire, which must be completed and returned; and

2. Failure to complete and return that renewal questionnaire may result in the nonrenewal of the policy.

(c) No insurer shall nonrenew a policy pursuant to N.J.A.C. 11:3-8.4(a)2 and 3:

1. In an amount in excess of 20 percent of the entire private passenger automobile insurance book of business of any one producer in force with the insurer at the end of the previous calendar year; and

2. Unless the insured or any other operator insured under the policy has individually, within five years prior to the expiration of the policy, two or more of the following events:

i. An at-fault accident as defined by N.J.A.C. 11:3-34.3;

ii. A motor vehicle violation for which four or more automobile insurance eligibility points accumulate under N.J.A.C. 11:3-34.5; or

iii. Had been required, but failed, to maintain the coverage required by N.J.S.A. 39:6A-3, without lapse.

(d) Nothing in these rules or their application shall be construed to authorize insurers to act in contravention of any applicable State or Federal law prohibiting discrimination on impermissible bases.

New Rule, R.1999 d.270, effective August 16, 1999.

See: 30 N.J.R. 2564(a), 31 N.J.R. 2383(b).

Former N.J.A.C. 11:3-8.6, Suspension of nonrenewals, recodified to N.J.A.C. 11:3-8.7.

Administrative correction.

See: 32 N.J.R. 809(b).

Amended by R.2008 d.380, effective December 15, 2008 (operative January 1, 2009).

See: 40 N.J.R. 3572(a), 40 N.J.R. 6970(b).

Updated the N.J.A.C. references throughout; and in (b)2, inserted a period at the end.

Recodified from N.J.A.C. 11:3-8.6 and amended by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

Rewrote (c)2iii; deleted former (d) through (e); and recodified former (f) as (d). Former N.J.A.C. 11:3-8.7, Suspension of renewals, recodified to N.J.A.C. 11:3-8.8.

11:3-8.8 Suspension of nonrenewals

Notwithstanding the provisions of this subchapter, if the plan for automobile insurance established pursuant to N.J.S.A. 17:29D-1 is not accepting new applications for coverage pursuant to N.J.S.A. 17:29D-1(d), no insurer transacting automobile insurance in this State shall refuse to renew any private passenger automobile insurance policy in this State.

Emergency New Rule, R.1990 d.626, effective November 26, 1990, operative April 1, 1991 (expired January 25, 1991).

See: 22 N.J.R. 3766(b).

Adopted Concurrent Proposal, R.1991 d.89, effective January 25, 1991, operative April 1, 1991.

See: 22 N.J.R. 3766(a), 23 N.J.R. 507(a).

Provisions of emergency new rule readopted without change.

Recodified from N.J.A.C. 11:3-8.6 by R.1999 d.270, effective August 16, 1999.

See: 30 N.J.R. 2564(a), 31 N.J.R. 2383(b).

Former N.J.A.C. 11:3-8.7, Reporting requirements, recodified to N.J.A.C. 11:3-8.8.

Recodified from N.J.A.C. 11:3-8.7 by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

Former N.J.A.C. 11:3-8.8, Records, recodified to N.J.A.C. 11:3-8.9.

11:3-8.9 Records

Insurance companies shall maintain records of nonrenewals for not less than five years which shall include a copy of the notice of nonrenewal, data concerning the allowable number of nonrenewals in each territory computed in accordance with N.J.A.C. 11:3-8.4(a)2 and 8.5(c), and data concerning the actual number of newly insured automobiles and nonrenewals in each territory for each category, computed in accordance with N.J.A.C. 11:3-8.4(a)3. Such records and data shall be made available to the Department upon request.

New Rule, R.1986 d.418, effective October 6, 1986.

See: 18 N.J.R. 1079(a), 18 N.J.R. 2039(a).

Emergency Repeal and New Rule, R.1990 d.626, effective November 26, 1990, operative April 1, 1991 (expired January 25, 1991).

See: 22 N.J.R. 3766(b).

Recodified from 11:3-8.5.

Adopted Concurrent Proposal, R.1991 d.89, effective January 25, 1991, operative April 1, 1991.

See: 22 N.J.R. 3766(a), 23 N.J.R. 507(a).

Provisions of emergency repeal and new rule, R.1990 d.626 readopted without change.

Recodified from N.J.A.C. 11:3-8.7 and amended by R.1999 d.270, effective August 16, 1999.

See: 30 N.J.R. 2564(a), 31 N.J.R. 2383(b).

Rewrote the section. Former N.J.A.C. 11:3-8.8, Separability, recodified to N.J.A.C. 11:3-8.9.

Amended by R.2001 d.44, effective February 5, 2001.

See: 32 N.J.R. 3891(a), 33 N.J.R. 573(a).

Rewrote the section.

Recodified from N.J.A.C. 11:3-8.8 and amended by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

Updated the N.J.A.C. references throughout. Former N.J.A.C. 11:3-8.9, Standards for cancellation, recodified to N.J.A.C. 11:3-8.10.

11:3-8.10 Standards for cancellation

(a) Pursuant to N.J.S.A. 17:29C-7, a notice of cancellation shall be effective only when based on one or more of the following reasons:

1. Nonpayment of premium;
2. The driver's license or motor vehicle registration of the named insured has been suspended or revoked during the policy period;
3. The driver's license or motor vehicle registration of another named insured or person insured under the policy who either resides in the same household or customarily operates an automobile insured under the policy has been suspended or revoked during the policy term for one or more of the following reasons:
 - i. Conviction of operating a motor vehicle under the influence of alcohol or drugs (N.J.S.A. 39:4-50);
 - ii. Conviction of refusal to submit to a chemical test (N.J.S.A. 39:4-50.4a);
 - iii. Conviction of vehicular homicide (N.J.S.A. 2C:11-2);
 - iv. Conviction of operating a motor vehicle while driving privilege is suspended (N.J.S.A. 39:3-40), except for convictions under N.J.S.A. 39:3-40i;
 - v. Conviction of operating a motor vehicle without liability insurance (N.J.S.A. 39:6B-2);
 - vi. Conviction of misrepresentation of insurance coverage (N.J.S.A. 39:6A-15);
 - vii. Accumulation of motor vehicle penalty points pursuant to N.J.S.A. 39:5-30.5;
 - viii. By a court upon conviction of one of the following motor vehicle violations: racing on a highway (N.J.S.A. 39:5C-1); failure to pass to right of vehicle proceeding in opposite direction (N.J.S.A. 39:4-84); tailgating (N.J.S.A. 39:4-89); reckless driving (N.J.S.A. 39:4-96); exceeding a speed limit by 30 MPH or more (N.J.S.A. 39:4-99); improperly passing a school bus (N.J.S.A. 39:4-128.1); or leaving the scene of an accident in which personal injury occurred (N.J.S.A. 39:4-129); or
 - ix. Where evidence exists that the suspended or revoked operator has been driving the vehicle during the period of suspension or revocation;
4. The named insured knowingly provided materially false or misleading information in connection with any application for insurance, renewal of insurance, or in connection with the filing of a claim for benefits under an insurance policy; or
5. An insurer determines, within 60 days of issuance of the policy, that the named insured does not meet the

acceptance criteria of the insurer in effect on the date of application.

New Rule, R.2008 d.380, effective December 15, 2008 (operative January 1, 2009).

See: 40 N.J.R. 3572(a), 40 N.J.R. 6970(b).

Former N.J.A.C. 11:3-8.9, Separability, recodified to N.J.A.C. 11:3-8.12.

Recodified from N.J.A.C. 11:3-8.9 by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

Former N.J.A.C. 11:3-8.10, Issuance of cancellation notices, recodified to N.J.A.C. 11:3-8.11.

11:3-8.11 Issuance of cancellation notices

(a) No notice of cancellation issued pursuant to N.J.A.C. 11:3-8.10(a)1, non-payment of premium, shall be effective unless it is mailed or delivered by the insurer in accordance with N.J.S.A. 17:29C-8 to the named insured at least 15 days prior to the effective date of the cancellation.

(b) No notice of cancellation issued pursuant to N.J.A.C. 11:3-8.10(a)2 through 5 shall be effective unless it is mailed or delivered by the insurer in accordance with N.J.S.A. 17:29C-8 to the named insured at least 20 days prior to the effective date of the cancellation.

(c) All cancellation notices shall include the reason for the cancellation or shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than 15 days prior to the effective date of the cancellation, the insurer will specify the reason for the cancellation.

(d) No cancellation notice shall be effective unless (d)3 below and either (d)1 or 2 below are satisfied:

1. The notice is sent by certified mail; or
2. The notice is sent by regular mail and at the time of the mailing of the notice, the insurer has obtained from the U.S. Postal Service a date-stamped proof of mailing showing the name and address of the insured; and
3. The insurer retains a duplicate copy of the mailed cancellation notice that is certified to be a true copy.

New Rule, R.2008 d.380, effective December 15, 2008 (operative January 1, 2009).

See: 40 N.J.R. 3572(a), 40 N.J.R. 6970(b).

Former N.J.A.C. 11:3-8.10, Penalties, recodified to N.J.A.C. 11:3-8.13.

Recodified from N.J.A.C. 11:3-8.10 by R.2011 d.242, effective September 19, 2011.

See: 42 N.J.R. 1984(a), 43 N.J.R. 2525(a).

Former N.J.A.C. 11:3-8.11, Acceptance criteria, recodified to N.J.A.C. 11:3-8.12.

Administrative correction.

See: 43 N.J.R. 2670(a).

11:3-8.12 Acceptance criteria

(a) Acceptance criteria are the written standards by which an insurer accepts or rejects new business, and/or renews or nonrenews existing business. An insurer shall have separate acceptance criteria for new and renewal business.