

NEW JERSEY COMPLIANCE STATEMENT

The attached filing questionnaire, to the best of my knowledge and belief, fully conforms to all pertinent State of New Jersey Laws and New Jersey Insurance Department rules and requirements. The attached filing questionnaire to the best of my knowledge and belief, contains no provisions previously disapproved by the New Jersey Insurance Department except as specifically noted with the attached letter.

Signature

Title

Phone Number

Date

SUBCHAPTER 16A. (RESERVED)

SUBCHAPTER 17. RATE INTERVENOR RULES

Authority

N.J.S.A. 17:1-8.1, 17:1-15c and 17:29A-46.7 and 46.8.

Source and Effective Date

R.2001 d.270, effective August 6, 2001.
See: 33 N.J.R. 1305(a), 33 N.J.R. 2694(a).

11:3-17.1 Purpose and scope

The purpose of these rules is to establish standards and procedures for persons who wish to intervene in private passenger automobile rate filings pursuant to N.J.A.C. 11:3-16.

11:3-17.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

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

“Filer” means a rating organization or any insurer making its own rates or loss costs or a portion thereof, establishing or proposing to establish a new rate or rate change.

“Insurer” or “insurance company” means an entity authorized or eligible to transact the business of insurance in New Jersey.

“Intervenor” means a person or entity registered by the Commissioner of Banking and Insurance to intervene in rate filings. In order to be an intervenor, the person or entity shall file with the Department by submitting the registration form in accordance with N.J.A.C. 11:3-17.3.

“Rate filing” means a filing by an automobile insurer writing private passenger automobile insurance in this State, made pursuant to N.J.S.A. 17:29A-14 and N.J.A.C. 11:3-16, that seeks an overall rate increase. It does not include an expedited prior approval filing made pursuant to N.J.S.A. 17:29A-46.6; or a filing made pursuant to any statutory change in coverage; a policy form filing, tier rating filing, or classification rating plan.

“Rate increase” means a change in base rates or loss costs by coverage that results in an overall increase in premium.

11:3-17.3 Intervenor registration requirements

(a) Any person or entity that wishes to register as an intervenor in a rate filing shall certify to the following qualifications in the application form incorporated herein by reference as Appendix A to this subchapter:

1. Expertise in the insurance laws of this State;
2. An understanding of the actuarial principles employed in establishing rates and rating systems;
3. Sufficient access to a qualified actuary (for example, a Fellow of the Casualty Actuarial Society or a Member of the American Academy of Actuaries) and sufficient expertise to conduct a technical examination of a rate filing;
4. Sufficient resources to intervene in the rate filing process as provided in this subchapter; and
5. A demonstrated commitment to represent the interest of consumers and accept a duty of fidelity to do so.

(b) Persons or entities who have met the requirements in (a) above may register with the Department by submitting the following:

1. A completed registration form (Appendix A); and
2. A registration fee of \$100.00 dollars which shall accompany the registration form. A check or money order for the fee shall be made payable to the New Jersey Department of Banking and Insurance.

(c) An annual renewal fee of \$100.00 shall be made payable to the New Jersey Department of Banking and Insurance.

(d) Registration and renewal information shall be sent to the Department at the following address:

New Jersey Department of Banking and Insurance
Property/Casualty
Attention: Rate Intervenor Registration
20 West State Street
PO Box 325
Trenton, New Jersey 08625-0325

11:3-17.4 Penalties for intervenors or filers

(a) The Commissioner shall revoke the registration of an intervenor if he or she determines that:

1. The intervenor no longer meets the qualifications;
or
2. The intervenor is convicted of a crime or loses a professional license for misconduct.

(b) An intervenor shall be forever barred from registration for conviction of a crime of the third degree if he or she solicits, accepts or agrees to accept any benefits as consideration for knowingly violating or agreeing to violate a duty of fidelity to which he or she is subject pursuant to N.J.S.A. 17:29A-46.8.

(c) A filer shall be barred from making a filing for any rate increase for a period of one year if the filer confers, or offers, or agrees to confer, any benefit the acceptance of which would be criminal pursuant to N.J.S.A. 17:29A-46.8. The Commissioner shall deny the rate filing of any filer convicted pursuant to N.J.S.A. 17:29A-46.8.

(d) The Commissioner shall notify an intervenor by certified mail of his or her revocation of registration as an intervenor pursuant to N.J.S.A. 17:29A-46.8.

(e) Revocation of an intervenor's registration shall be made by the Commissioner on his or her own motion or upon motion by a member of the public.

11:3-17.5 Notification of rate increase

(a) Upon receipt of a rate filing from a filer for a rate increase, the Commissioner shall:

1. Within five days of receipt of a rate filing, cause to be published a notification of the proposed rate increase in at least two newspapers of general circulation throughout the State; and
2. Promptly notify all registered intervenors by e-mail or fax within two days of receipt; and by notice on the Department's website of the receipt of a rate filing.

11:3-17.6 Procedures for intervening in a rate filing

(a) Procedures for review of rate filings shall be conducted in accordance with N.J.A.C. 11:3-18 and this subchapter.

(b) An intervenor shall notify the Department and the filer in writing, by mail or fax of its intent to intervene no later than 15 days after the Department's receipt of the rate filing. An intervenor may request and then shall receive a copy of the rate filing and any amendments and supplements thereto and shall pay the cost of copying and mailing as provided by N.J.S.A. 47:1A-2. Notice to the Department shall be sent to:

New Jersey Department of Banking and Insurance
Property/Casualty
Attention: Auto Unit/Rate Intervenor
20 West State Street
PO Box 325
Trenton, New Jersey 08625-0325
Fax: (609) 777-0019

(c) If the Department determines that the filing is complete in that it satisfies the requirements set forth in

N.J.A.C. 11:3-16, no supplemental information beyond limited requests to seek clarifying or explanatory information shall be permitted for the intervenor. The following procedures may be used by the intervenor to obtain clarifying, explanatory or supplemental information if necessary:

1. Not later than 30 days after the Department's receipt of the rate filing, the intervenor may request in writing to the filer that the filer provide relevant information that may be necessary to clarify or explain information contained in the filing. Not later than 15 days after receipt of any such request, the filer shall provide the clarifying or explanatory information to the intervenor and simultaneously to the Department.

2. Copies of all correspondence and any additional information exchanged by the parties shall also be provided to the Department. All correspondence to and from the intervenor shall be prominently marked "Rate Intervenor Correspondence."

3. If a filer denies an intervenor's information request pursuant to (c)1 above, the intervenor may petition the Commissioner for an order directing the filer to provide additional information that is required to clarify or explain information contained in the rate filing. This petition shall be submitted to the Department and the filer simultaneously within 10 days of the filer's denial or failure to respond or it shall be deemed waived.

- i. The petition shall include a list of the information requested and show good cause why the additional information is required. The filer may respond within five days to the Department and the intervenor.

- ii. Upon receipt of such petition, and after consideration of any responsive statement by the filer, the Commissioner shall either direct the filer to provide all or part of the information within a specified time, or deny the petition.

4. If a filer denies an intervenor's information request because the filer believes that the information is a trade secret or is otherwise confidential under New Jersey law, the filer shall notify the intervenor and the Department of these reasons not later than 10 days from receipt of the intervenor's request. After review of the filer's reasons for denial, the Commissioner shall either direct the filer to provide all or part of the information within a specified time, or deny the intervenor's request.

(d) The intervenor's Final Report on the rate filing shall be filed with the Department and provided to the filer within 75 days after the Department's receipt of the rate filing or 14 days prior to the hearing in accordance with N.J.A.C. 11:3-18.4, whichever is earlier.

11:3-17.7 Awarding of fees and expenses

(a) Any request for reimbursement shall be accompanied by an affidavit of expenses and shall simultaneously be submitted to the Department and the filer within 30 days of

the Commissioner's Final Decision and Order on the rate filing. The request shall include a statement by the intervenor which details its substantial contribution to the adoption of the Commissioner's Final Decision and affirms that the intervenor has not violated the duty of fidelity. If the Commissioner determines that the intervenor has made a substantial contribution to the adoption of any order or decision by the Commissioner or a court in connection with the proceedings pursuant N.J.S.A. 17:29A-46.8, the Commissioner shall issue an Order directing the filer to pay the

reasonable advocacy and witness fees and expenses of the intervenor.

(b) The Commissioner shall award reasonable advocacy and witness fees and expenses after consideration of the required affidavits, and upon a determination that the intervenor has demonstrated that he or she has made a substantial contribution to the adoption of any order or decision in connection with a rate filing made pursuant to N.J.S.A. 17:29A-46.8. The award shall be paid for by the filer.

APPENDIX A

New Jersey Department of Banking and Insurance
Office of Property/Casualty
RATE INTERVENOR REGISTRATION

Name _____

(Street Address) (City/Town) (State) (Zip Code)

(Area Code)-Phone Number Fax Number E-Mail Address

*Rate Intervenors are subject to a registration fee of \$100.00, which shall accompany this registration form and shall be made payable to: New Jersey Department of Banking and Insurance. Rate Intervenors are also subject to an annual renewal fee.

- (I) (We) have expertise in the insurance laws of this State.
(I) (We) have an understanding of the actuarial principles employed in establishing rates and rating systems.
(I) (We) have sufficient access to a qualified actuary and possess sufficient expertise to conduct a technical examination of a rate filing.
(I) (We) have sufficient resources to intervene in the rate filing process as provided in N.J.A.C. 11:3-17.
(I) (We) represent the interest of consumers and accept a duty of fidelity to do so.
(I) (We) have not been convicted of any crime or lost a professional license for misconduct.
(I) (We) certify that the foregoing statements made are true. (I am) (We are) aware that if any of the statements are willfully false, (I am) (We are) subject to punishment.

Date _____

Signature _____

SUBCHAPTER 18. PRIVATE PASSENGER
AUTOMOBILE INSURANCE: RATE FILING
REVIEW PROCEDURES

11:3-18.1 Purpose and scope

(a) This subchapter sets forth the procedures used by the Department to review voluntary market private passenger automobile insurance rate filings and implements N.J.S.A.

17:29A-1 et seq. It is intended to provide for the expeditious review and disposition of automobile insurance rate filings consistent with applicable statutes regarding insurance and administrative procedures.

(b) This subchapter applies to rate filings that require prior approval of the Commissioner made pursuant to N.J.S.A. 11:29A-14.