

16B.4(b)3	Premium Trend Factors from ISO or internal data (with data and methods used for internal)	to average date of earning during proposed period.	
16B.4(c)1	NJ incurred loss and incurred DCC (may be combined) by accident year by coverage (paid loss OK for COMP and COLL)	16B.4(h)1 Projected Ultimate Loss + LAE Ratio is (c)/(b)	
16B.4(c)2	Loss Development Factors based on average of last five years excluding high and low (that is, middle three of five years' factors) • BI/PIP developed to 87 months, tail factor of 1.05 PD/Comp/Coll developed to 51 months, tail factor of 1.00	16B.4(h)2 Raw indication is (h)1/(e)	
16B.4(c)3	Loss Trend Factors based on latest approved ISO filing or latest available NJ Fast Track, separately for frequency and severity by coverage. For Fast Track, 12 quarter rolling average used. For COMP, countrywide Fast Track data permitted. Must use paid claims (not incurred claims).	16B.4(h)3 Credibility-weighted indication is as described	
16B.4(c)4	AO Factor is ratio of incurred AO to incurred Loss + DCC, and comes from latest three available IEEs.	16B.4(h)4 Overall indication is weighted average by latest year's earned premium	
16B.4(c)5	Changes that impact frequency and/or severity accounted for.	16B.4(i) If proposing territorial changes, territorial indication based on three years of data with credibility standard of 3,000 claims per territory (complement is Statewide indication above or current relativity)	
16B.4(c)6	Catastrophe Factor permitted for Comp from either ISO or internal data (minimum 10 years)	16B.4(j) If expense fees changing, standard expense fee calculation. For other items changing, changes based on three-year relative loss ratios.	
16B.4(d)1	Commission and Brokerage Expenses based on NJ WP From Page 14 (three-year average)	16B.4(k) Alternate Method permitted (optional, see regulation)	
16B.4(d)2	General Expense and Other Acquisition Expense based on CW EP from IEE (three-year average)	16B.5(a)-(b) Request overall limited to smaller of seven percent increase or indicated change	
16B.4(d)3	Expenses (1 and 2 above) capped by N.J.A.C. 11:3-16 Appendix E Calculation (see www.nj.gov/dobi for current expense caps)	16B.5(c) Request by coverage limited to smaller of 10 percent or indicated change by coverage, provided the overall increase does not exceed seven percent.	
16B.4(d)4	Tax, License, and Fee Expense based on NJ WP from Page 14 (three-year average)	16B.5(d) Individual policy impact limited to 15 percent.	
16B.4(d)5	Profit and Contingency provision based on filer's latest approved filing under N.J.A.C. 11:3-16.10	16B.5(e) Last limited rate change filing approved at least 12 months ago	Yes/No
16B.4(d)6	Total Capped Expenses is sum of 3 through 5 above	Amended by R.2003 d.500, effective December 15, 2003. See: 35 N.J.R. 3093(a), 35 N.J.R. 5611(a). Rewrote the section.	
16B.4(e)	Permissible Loss Ratio is 1 minus (d)6	Amended by R.2007 d.179, effective June 4, 2007. See: 38 N.J.R. 4161(a), 39 N.J.R. 2260(b). Rewrote Exhibit A.	
15B.4(f)1	DOBI Credibility Standards BI/PD/CSL/PACK at total limits: 4,000 claims BI/PD/CSL/PACK at basic limits: 3,000 claims PIP/COMP/COLL: 3,000 claims		
16B.4(f)2	Company Calculated Credibility Standards (optional)		
16B.4(f)3	Credibility determined using square root rule, minimum 50 percent.		
16B.4(g)	Complement of credibility assigned to Loss Ratio Trend (Loss Trend divided by Premium Trend), trend period is average date of earning during experience period		

SUBCHAPTER 17. (RESERVED)

**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.