

**CHAPTER 3
AUTOMOBILE INSURANCE**

Authority

N.J.S.A. 17:1-8.1 and 17:1-15e.

Source and Effective Date

R.2006 d.243, effective June 7, 2006.
See: 37 N.J.R. 4162(a), 38 N.J.R. 2828(c).

Chapter Expiration Date

Chapter 3, Automobile Insurance, expires on June 7, 2011.

Chapter Historical Note

Chapter 3, New Jersey Automobile Insurance Plan, was adopted as R.1972 d.20, effective January 31, 1972. See: 3 N.J.R. 223(d), 4 N.J.R. 49(d).

Subchapter 7, Automobile Repair Reform Act, was adopted as R.1972 d.244, effective December 4, 1972. See: 4 N.J.R. 270(a), 5 N.J.R. 13(c).

Subchapter 10, Auto Physical Damage Claims, was adopted as R.1976 d.46 and R.1976 d.47, effective May 1, 1976. See: 8 N.J.R. 38(b), 8 N.J.R. 136(b).

Pursuant to Executive Order No. 66(1978), Subchapter 8, Nonrenewal of Automobile Insurance Policies, was readopted as R.1983 d.190, effective June 6, 1983. See: 15 N.J.R. 231(a), 15 N.J.R. 927(a).

Subchapter 12, Automobile Rate Filers: Flattening of Premium Taxes and Assessments Made for the Unsatisfied Claim and Judgment Fund, was adopted as R.1983 d.424, effective October 3, 1983. See: 15 N.J.R. 1170(a), 15 N.J.R. 1666(a).

Subchapter 13, Automobile Rate Filers: Deductibles for Private Passenger Automobile Collision and Comprehensive Coverage, was adopted as R.1983 d.467, effective October 17, 1983. See: 15 N.J.R. 1342(a), 15 N.J.R. 1769(b).

Pursuant to Executive Order No. 66(1978), Subchapter 6, Insurance Identification Card, was readopted as R.1983 d.648, effective December 29, 1983. See: 15 N.J.R. 1919(a), 16 N.J.R. 145(c).

Public Notice: Automobile Insurance Written Notice/Buyer's Guide. Coverage Selection Form. See: 16 N.J.R. 254(d).

Subchapter 15, Standards for Written Notice: Buyer's Guide and Coverage Selection Form, was adopted as R.1984 d.114, effective April 2, 1984. See: 15 N.J.R. 2142(a), 16 N.J.R. 733(a).

Subchapter 14, Personal Injury Protection Options, was adopted as R.1984 d.116, effective April 2, 1984. See: 15 N.J.R. 2139(a), 16 N.J.R. 730(b).

The Executive Order No. 66(1978) expiration date of Subchapter 7, Automobile Repair Reform Act, was extended by gubernatorial directive from August 17, 1984 to November 15, 1984, and was further extended by gubernatorial directive from November 15, 1984 to February 13, 1985. See: 17 N.J.R. 43(a).

Pursuant to Executive Order No. 66(1978), Subchapter 7, Automobile Repair Reform Act, was readopted as R.1985 d., effective February 13, 1985. See: 17 N.J.R. 43(a), 17 N.J.R. 707(b).

Subchapter 17, Rating Organizations, was adopted as R.1985 d.609, effective October 6, 1985. See: 16 N.J.R. 2936(a), 17 N.J.R. 2905(a).

Pursuant to Executive Order No. 66(1978), Chapter 3, Automobile Insurance, was readopted as R.1985 d.654, effective January 6, 1986, operative May 6, 1986. See: 16 N.J.R. 3286(a), 17 N.J.R. 89(b).

Subchapter 20, Reporting Financial Disclosure and Excess Profit Reports, was adopted as R.1986 d.111, effective April 7, 1986. See: 17 N.J.R. 2597(a), 18 N.J.R. 692(a).

Subchapter 17, Rating Organizations, was repealed and Subchapter 17, Rating Organizations, was adopted as new rules by R.1986 d.419, effective October 6, 1986. See: 18 N.J.R. 1171(b), 18 N.J.R. 2045(a).

Subchapter 22, Coverage Option Survey: Personal Injury Protection and Tort Threshold Options, was adopted as R.1986 d.463, effective November 17, 1986. See: 18 N.J.R. 1344(b), 18 N.J.R. 2329(a).

Subchapter 23, Dangerous Drivers or Drivers with Excessive Claims, was adopted as R.1987 d.527, effective December 21, 1987. See: 19 N.J.R. 1880(a), 19 N.J.R. 2403(b).

Public Notice: Rescission of Circular Letter #75. See: 19 N.J.R. 570(e).

Subchapter 26, Accident Claims, Subchapter 27, Unsatisfied Claim and Judgment Fund Board, and Subchapter 28, Unsatisfied Claim and Judgment Fund's Reimbursement of Excess Medical Expense Benefits Paid by Insurers, were adopted as R.1989 d.268, effective May 15, 1989. See: 21 N.J.R. 688(a), 21 N.J.R. 1363(a).

Subchapter 20, Reporting Financial Disclosure and Excess Profit Reports, was repealed and Subchapter 20, Reporting Financial Disclosure and Excess Profit Reports, was adopted as new rules by R.1989 d.277, effective May 15, 1989. See: 21 N.J.R. 667(b), 21 N.J.R. 1335(a), 21 N.J.R. 1517(b).

Subchapter 24, Policy Constants, and Subchapter 25, Residual Market Equalization Charges (RMECs), were adopted as R.1989 d.278, effective May 15, 1989. See: 20 N.J.R. 3104(a), 21 N.J.R. 1358(b).

Subchapter 20A, Standard Limiting Effect of Negative Excess Investment Income in the Computation of Excess Profits, was adopted as R.1989 d.306, effective June 5, 1989. See: 21 N.J.R. 842(a), 21 N.J.R. 1517(c).

Subchapter 17, Rating Organizations, was repealed by R.1989 d.328, effective June 19, 1989. See: 21 N.J.R. 973(a), 21 N.J.R. 1708(a).

Subchapter 30, Motor Vehicle Self-Insurance, was adopted as R.1989 d.584, effective November 20, 1989. See: 21 N.J.R. 2876(a), 21 N.J.R. 3666(b).

Subchapter 31, Examination of the Financial Experience of Private Passenger Automobile Insurers, was adopted as R.1990 d.108, effective February 5, 1990. See: 21 N.J.R. 3726(a), 22 N.J.R. 425(a).

Subchapter 18, Private Passenger Automobile Insurance: Rate Filing Review Procedures, was adopted as R.1990 d.109, effective February 5, 1990. See: 21 N.J.R. 3422(b), 22 N.J.R. 421(a).

Subchapter 16, Rate Filing Requirements: Voluntary Market Private Passenger Automobile Insurance, was adopted as R.1990 d.116, effective February 5, 1990. See: 21 N.J.R. 2182(a), 22 N.J.R. 399(a).

Subchapter 1, Provisions and Operations, was repealed and Subchapter 1, Commercial Automobile Insurance Plan, was adopted as new rules by R.1990 d.118, effective February 5, 1990. See: 21 N.J.R. 3613(a), 22 N.J.R. 392(b).

Subchapter 16A, Flex Rate Percentage Calculations for Private Passenger Automobile Insurance, was adopted as R.1990 d.161, effective March 19, 1990. See: 21 N.J.R. 3719(a), 22 N.J.R. 963(a).

Subchapter 34, Eligible Persons Qualifications and Automobile Insurance Eligibility Points Schedule, was adopted as emergency new rules by R.1990 d.620, effective November 26, 1990, operative April 1, 1991, to expire January 25, 1991. See: 22 N.J.R. 3847(a). The provisions of R.1990 d.620 were readopted as R.1991 d.93, effective January 25, 1991, operative April 1, 1991, with changes effective February 19, 1991. See: 22 N.J.R. 3847(a), 23 N.J.R. 572(a).

Subchapter 36, Automobile Physical Damage Insurance Inspection Procedures, was adopted as emergency new rules by R.1990 d.622, effective November 26, 1990, operative March 1, 1991, to expire January 25, 1991. See: 22 N.J.R. 3861(a). The provisions of R.1990 d.622 were readopted as R.1991 d.95, effective January 25, 1991, operative October 1, 1992, with changes effective February 19, 1991. See: 22 N.J.R. 3861(a), 23 N.J.R. 579(a), 23 N.J.R. 1132(c).

Subchapter 38, Towing and Storage Fee Schedule, was adopted as emergency new rules by R.1990 d.623, effective November 26, 1990, operative January 1, 1991, to expire January 25, 1991. See: 22 N.J.R. 3874(a). The provisions of R.1990 d.623 were readopted as R.1991 d.97, effective January 25, 1991, with changes effective February 19, 1991. See: 22 N.J.R. 3874(a), 23 N.J.R. 592(a).

Subchapter 29, Medical Fee Schedules: Automobile Insurance Personal Injury Protection Coverage, was adopted as emergency new rules by R.1990 d.624, effective November 26, 1990, operative January 1, 1991, to expire January 25, 1991. See: 22 N.J.R. 3809(a). The provisions of R.1990 d.624 were readopted as R.1991 d.96, effective January 25, 1991, with changes effective February 19, 1991. See: 22 N.J.R. 3809(a), 23 N.J.R. 536(a).

Subchapter 37, Order of Benefit Determination Between Automobile Personal Injury Protection and Health Insurance, was adopted as emergency new rules by R.1990 d.625, effective November 26, 1990, to expire January 25, 1991. See: 22 N.J.R. 3777(a). The provisions of R.1990 d.625 were readopted as R.1991 d.90, effective January 25, 1991, with changes effective February 19, 1991. See: 22 N.J.R. 3777(a), 23 N.J.R. 597(a).

Subchapter 35, Private Passenger Automobile Insurance Underwriting Rules, was adopted as emergency new rules by R.1990 d.627, effective November 26, 1990, to expire January 25, 1991. See: 22 N.J.R. 3856(a). The provisions of R.1990 d.627 were readopted as R.1991 d.94, effective January 25, 1991, with changes effective February 19, 1991. See: 22 N.J.R. 3856(a), 23 N.J.R. 577(a).

Subchapter 19, Standard/Non-Standard Rating Plans, was adopted as emergency new rules by R.1990 d.628, effective November 26, 1990, to expire January 25, 1991. See: 22 N.J.R. 3804(a). The provisions of R.1990 d.628 were readopted as R.1991 d.92, effective January 25, 1991, with changes effective February 19, 1991. See: 22 N.J.R. 3804(a), 23 N.J.R. 532(a).

Pursuant to Executive Order No. 66(1978), Chapter 3, Automobile Insurance, was readopted as R.1991 d.45, effective January 4, 1991, and Subchapters 2 through 5, concerning the Automobile Insurance Plan (AIP), were repealed by R.1991 d.45, effective February 4, 1991. See: 22 N.J.R. 1678(a), 23 N.J.R. 306(b).

Subchapter 24, Policy Constants, was repealed by R.1991 d.216, effective April 15, 1991. See: 22 N.J.R. 3441(a), 23 N.J.R. 1132(a).

Subchapter 25, Residual Market Equalization Charges (RMECs), was repealed by R.1991 d.217, effective April 15, 1991. See: 22 N.J.R. 3442(a), 23 N.J.R. 1132(b).

Subchapter 39, Reductions in Premium Charges for Private Passenger Automobiles Equipped with Anti-Theft, Vehicle Recovery and Safety Features, was adopted as R.1991 d.363, effective July 15, 1991, operative September 1, 1991. See: 23 N.J.R. 384(a), 23 N.J.R. 2144(a).

Subchapter 33, Appeals from Denial of Automobile Insurance, was adopted as R.1992 d.192, effective April 30, 1992. See: 24 N.J.R. 546(a), 24 N.J.R. 1510(a).

Subchapter 40, Insurers Required to Provide Automobile Insurance Coverage to Eligible Persons, was adopted as R.1992 d.207, effective May 4, 1992. See: 23 N.J.R. 3736(a), 24 N.J.R. 336(a), 24 N.J.R. 1796(b).

Subchapter 2, New Jersey Personal Automobile Insurance Plan, was adopted as new rules by R.1992 d.370, effective September 21, 1992. See: 24 N.J.R. 331(a), 24 N.J.R. 3400(a).

Subchapter 3, Limited Assignment Distribution Servicing Carriers, was adopted as new rules by R.1992 d.371, effective September 21, 1992. See: 24 N.J.R. 519(a), 24 N.J.R. 3414(a).

Subchapter 42, Producer Assignment Program, was adopted as emergency new rules by R.1992 d.381, effective September 4, 1992, to expire November 3, 1992. See: 24 N.J.R. 3421(a). The provisions of R.1992 d.381 were readopted as R.1992 d.482, effective November 2, 1992, with changes effective December 7, 1992. See: 24 N.J.R. 3421(a), 24 N.J.R. 4397(a).

Subchapter 44, Special Rules for Effecting Coverage for Private Passenger Automobile Insurance, was adopted as emergency new rules by R.1993 d.135, effective March 1, 1993, operative March 8, 1993, to expire April 30, 1993. See: 25 N.J.R. 1290(a). The provisions of R.1993 d.135 were readopted as R.1993 d.238, effective April 30, 1993. See: 25 N.J.R. 1290(a), 25 N.J.R. 2479(a).

Subchapter 2B, Market Transition Facility of New Jersey Suspension of Claims, was adopted as emergency new rules by R.1994 d.164, effective March 1, 1994, to expire April 30, 1994. See: 26 N.J.R. 1393(a). The provisions of R.1994 d.164 were readopted as R.1994 d.261, effective April 29, 1994. See: 26 N.J.R. 1393(a), 26 N.J.R. 2288(a).

Subchapter 32, Certification of Compliance: Mandatory Liability Coverages, was adopted as R.1994 d.477, effective September 19, 1994. See: 26 N.J.R. 1939(a), 26 N.J.R. 3866(a).

Subchapter 31, Examination of the Financial Experience of Private Passenger Automobile Insurers, was repealed by R.1995 d.171, effective March 20, 1995. See: 27 N.J.R. 41(a), 27 N.J.R. 1190(b).

Subchapter 45, Insurers Required to Provide Survey Information, was adopted as R.1995 d.235, effective May 1, 1995. See: 27 N.J.R. 289(a), 27 N.J.R. 1803(a).

Pursuant to Executive Order No. 66(1978), Chapter 3, Automobile Insurance, was readopted as R.1996 d.58, effective January 4, 1996, and Subchapter 2A, New Jersey Automobile Full Insurance Underwriting Association Claims Payment Deferral, Subchapter 3, Limited Assignment Distribution Servicing Carriers, and Subchapter 23, Dangerous Drivers or Drivers with Excessive Claims, were repealed by R.1996 d.58, effective February 5, 1996. See: 27 N.J.R. 3682(a), 28 N.J.R. 855(a).

Subchapter 20A, Standard Limited Effect of Negative Excess Investment Income in the Computation of Excess Profits, was repealed by R.1996 d.312, effective July 15, 1996. See: 28 N.J.R. 1616(a), 28 N.J.R. 3627(b).

Subchapter 25, Private Passenger Automobile Insurance: Notification by Treating Health Care Providers, was adopted as new rules by R.1997 d.14, effective January 6, 1997. See: 28 N.J.R. 3876(a), 29 N.J.R. 132(a).

Subchapter 24, Defensive Driving Rate Reductions, was adopted as new rules by R.1997 d.522, effective December 15, 1997. See: 28 N.J.R. 4854(a), 29 N.J.R. 5305(a).

Subchapter 28A, Unsatisfied Claim and Judgment Fund Assessments, was adopted as R.1997 d.535, effective December 15, 1997. See: 29 N.J.R. 4246(a), 29 N.J.R. 5309(a).

Subchapter 19A, Tier Rating Plans and Underwriting Rules, was adopted as R.1998 d.129, effective March 2, 1998. See: 29 N.J.R. 5253(a), 30 N.J.R. 839(a).

Subchapter 46, Automobile Insurance Urban Enterprise Zone Program, was adopted as R.1998 d.290, effective June 1, 1998. See: 30 N.J.R. 773(a), 30 N.J.R. 2010(a).

Subchapter 3, Basic Automobile Insurance Policy, was adopted as new rules by R.1998 d.592, effective December 21, 1998, operative March 22, 1999. See: 30 N.J.R. 3209(a), 30 N.J.R. 4398(a).

Subchapter 5, Personal Injury Protection Dispute Resolution, was adopted as new rules by R.1998 d.593, effective December 21, 1998. See: 30 N.J.R. 3359(a), 30 N.J.R. 4437(a).

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(f) A premium credit calculated and represented as a percentage of the applicable premium shall be provided for the exclusion. The premium percentage shall be uniform by filer on a statewide basis.

(g) The buyer's guide and written notice specified in N.J.S.A. 39:6A-23 shall satisfy the requirements of this subchapter.

(h) Should an applicant or named insured fail to elect the exclusion, full personal injury protection coverage pursuant to N.J.S.A. 39:6A-4 shall be deemed to have been selected and an appropriate premium shall be charged.

(i) The exclusion elected by a named insured shall continue in force as to subsequent renewal or replacement policies until the insurer or its authorized representative receives a properly executed written request for its elimination.

As amended, R.1984 d.480, eff. November 5, 1984.
See: 16 N.J.R. 1692(a), 16 N.J.R. 3037(b).

(c): added "household, who is . . . insurance policy".
Amended by R.1996 d.58, effective February 5, 1996.
See: 27 N.J.R. 3682(a), 28 N.J.R. 855(a).
Amended by R.1998 d.591, effective December 21, 1998 (operative March 22, 1999).
See: 30 N.J.R. 3202(a), 30 N.J.R. 4390(b).

In (a) and (h), inserted N.J.S.A. references; and in (c), inserted "under that policy" following "provided".

11:3-14.5 Option to choose health care insurance coverage as primary coverage

(a) Pursuant to N.J.S.A. 39:6A-4.3, for policies issued or renewed on or after January 1, 1991, an insurer shall provide the option that other health insurance coverage or benefits of the insured, including health care services provided by a health maintenance organization and any coverage or benefits provided under any Federal or State program, are the primary coverage for medical expense benefits for personal injury protection coverage; provided, however, that this option shall not apply to any coverage or benefits provided pursuant to Medicare or Medicaid.

(b) The Coverage Selection Form (see N.J.A.C. 11:3-15.7) shall require insureds or prospective insureds to identify the health insurer(s) providing primary personal injury protection medical expense benefits. This identification shall fulfill the requirement in N.J.S.A. 39:6A-4.3 that named insureds provide proof that they and members of their family residing in the household are covered by health insurance coverage or benefits.

As amended, R.1984 d.480, eff. November 5, 1984.
See: 16 N.J.R. 1692(a), 16 N.J.R. 3037(b).

(b): added "who is not . . . insurance policy".
Repealed by R.1989 d.117, effective February 21, 1989.
See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

This section was "Setoff option entitling an automobile insurer paying PIP medical expense benefits to reimbursement under certain conditions".

New Rule, R.1990 d.580, effective November 19, 1990 (operative January 1, 1991).
See: 22 N.J.R. 1681(a), 22 N.J.R. 3488(b).

11:3-14.6 Refund or credit of unearned premium

Every automobile insurer offering personal injury protection coverage shall establish a fair, practicable and non-discriminatory plan for the refund or application of credit of any unearned premium resulting from the selection of any deductible and/or exclusion option pursuant to this subchapter.

Amended by R.1989 d.117, effective February 21, 1989.
See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).
Deleted "setoff".

11:3-14.7 Filing requirements

(a) Every automobile filer shall submit to the Commissioner for approval filings of rates or manual rules which provide the optional medical expense benefit deductibles for personal injury protection coverage.

(b) Within 30 days of the effective date of this subchapter, every automobile filer shall submit to the Commissioner for approval filings of rates or manual rules which provide the optional exclusion from personal injury protection coverage of income continuation benefits, essential service benefits, death benefits, and funeral expense benefits.

(c) All filings submitted for approval pursuant to this subchapter, and all changes and amendments thereto, shall be prepared in accordance with insurance laws and regulations, including the applicable provisions of N.J.S.A. 17:29A-1 et seq. and N.J.A.C. 11:1-2 and the Department's existing filing procedures.

(d) The filing of a rating organization shall be applicable to the members and subscribers of the organization who have authorized the organization to file on their behalf.

Amended by R.1989 d.117, effective February 21, 1989.
See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).
Repealed (c) and recodified (d)-(e) as (c)-(d).

11:3-14.8 Application of the option to choose health care insurance coverage as the primary insurer

When an insured or prospective insured elects to have a health insurer provide primary personal injury protection medical expenses benefits, the medical expenses benefits available to the insured under his or her automobile policy's personal injury protection provisions shall become a secondary benefits provider. The order of benefit determination shall be in accordance with N.J.A.C. 11:3-37.

Emergency New Rule, R.1990 d.625, effective November 26, 1990 (expires January 25, 1991).
See: 22 N.J.R. 3777(a).

Adopted Concurrent Proposal, R.1991 d.90, effective January 25, 1991.
See: 23 N.J.R. 3777(a), 23 N.J.R. 697(a).

Provisions of emergency new rule R.1990 d.625 readopted without change.

SUBCHAPTER 15. BUYER'S GUIDE, COVERAGE SELECTION FORM, AND AUTOMOBILE INSURANCE CONSUMER BILL OF RIGHTS FOR STANDARD AND BASIC POLICIES

11:3-15.1 Purpose

(a) N.J.S.A. 39:6A-23 requires the Commissioner of the Department of Banking and Insurance to promulgate standards for the written notice to be provided to applicants for automobile insurance and to policyholders offered renewal of coverage. This written notice includes a Buyer's Guide and one of two versions of the Coverage Selection Form. This subchapter implements this statutory requirement and establishes the necessary minimum standards insurers shall use in giving notice of available coverages, options and rate credits.

(b) P.L. 2003, c.89, section 43a requires every insurer writing private passenger automobile insurance in this State to provide each insured at least annually and each applicant for insurance with an Automobile Insurance Consumer Bill of Rights. The Automobile Insurance Consumer Bill of Rights shall contain the information necessary, relevant or appropriate to improve the understanding of the rights and responsibilities of consumers and insurers regarding automobile insurance.

(c) This subchapter implements the statutory requirements in (a) and (b) above and establishes the necessary minimum standards insurers shall use in giving notice of available coverages, options and rate credits and of the rights and responsibilities of consumers and insurers regarding automobile insurance.

(d) The purpose of the Buyer's Guide, Coverage Selection Form and Automobile Insurance Consumer Bill of Rights is to help consumers understand the choices they will make. The Buyer's Guide, Coverage Selection Form and Automobile Insurance Consumer Bill of Rights shall be presented in an attractive format and plain language describing the choices in general, in order to encourage consumers to read the documents and to make informed choices about the auto insurance coverages and options available to them.

New Rule, R.1989 d.117, effective February 21, 1989.

See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

Old text was repealed.

Amended by R.1990 d.580, effective November 19, 1990 (operative January 1, 1991).

See: 22 N.J.R. 1681(a), 22 N.J.R. 3488(b).

Amended to delete references to the NJAFIUA and to substitute therefor a general reference to residual market mechanisms created by New Jersey statute consistent with "The Fair Automobile Insurance Reform Act of 1990", P.L. 1980 c.8.

Amended by R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).

See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).

In (a), substituted "offered" for "seeking" following "policyholders" in the first sentence, and substituted "one of the two versions of the Coverage Selection Form" for "a Coverage Selection Form as required by N.J.S.A. 39:6A-23" at the end of the second sentence; and in (b), substituted references to the Buyer's Guide and Coverage Selection Form for references to standards.

Amended by R.2004 d.117, effective March 15, 2004.

See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).

Added new (b) and (c), recodified existing (b) as (d).

11:3-15.2 Scope

(a) This subchapter applies to every insurer authorized to transact the business of private passenger automobile insurance in this State and to any automobile residual market mechanism created by any New Jersey statute.

(b) This subchapter applies to personal lines private passenger automobile insurance policies and individually-owned private passenger automobiles written on commercial insurance policies.

New Rule, R.1989 d.117, effective February 21, 1989.

See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

Old text was repealed.

Amended by R.1990 d.580, effective November 19, 1990 (operative January 1, 1991).

See: 22 N.J.R. 1681(a), 22 N.J.R. 3488(b).

Amended to delete references to the NJAFIUA and to substitute therefor a general reference to residual market mechanisms created by New Jersey statute consistent with "The Fair Automobile Insurance Reform Act of 1990", P.L. 1980 c.8.

Amended by R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).

See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).

Substituted a reference to insurers for a reference to insurance companies, and inserted "automobile" preceding "residual".

Amended by R.2004 d.117, effective March 15, 2004.

See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).

Designated existing section as (a) and added (b).

11:3-15.3 Definitions

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

"Basic automobile insurance policy" or "basic policy" means those private passenger automobile insurance policies issued in accordance with N.J.S.A. 39:6A-3.1 and N.J.A.C. 11:3-3.

"Commissioner" means the Commissioner of the Department of Banking and Insurance.

"Department" means the Department of Banking and Insurance of the State of New Jersey.

"Insurer" means any person, corporation, association, partnership, company, reciprocal exchange and any other legal entity issuing a contract of private passenger automobile insurance, including any residual market mechanism established pursuant to any New Jersey statute. As appropriate, "insurer" shall also mean a servicing carrier for a residual market mechanism.

“Private passenger automobile insurance policy” means a Standard policy as defined in N.J.S.A. 39:6a-3 or a Basic policy as defined in N.J.S.A. 39:6A-3.1 providing direct insurance on an automobile as defined in N.J.S.A. 39:6A-2.

“Standard automobile insurance policy” or “standard policy” means a private passenger automobile insurance policy issued in accordance with N.J.S.A. 39:6A-3 that includes the personal injury protection coverage described in N.J.S.A. 39:6A-4.

New Rule, R.1989 d.117, effective February 21, 1989.

See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

Repealed old rule, “effective date.”

Amended by R.1989 d.624, effective December 18, 1989 (operative January 1, 1990).

See: 21 N.J.R. 3244(a), 21 N.J.R. 3922(a).

NJAFIUA added to definition of “insurance company”.

Amended by R.1990 d.580, effective November 19, 1990 (operative January 1, 1991).

See: 22 N.J.R. 1681(a), 22 N.J.R. 3488(b).

Changed definition of “Insurance Company” for consistency with “The Fair Automobile Insurance Reform Act of 1990”, P.L. 1990 c.8. Amended by R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).

See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).

Rewrote the section.

Amended by R.2004 d.117, effective March 15, 2004.

See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).

Added “Private passenger automobile insurance policy”.

Case Notes

Insured was not entitled to underinsured motorist benefits: insurance carried by two vehicles which struck his was greater than the amount of uninsured coverage which he could have obtained. *Pinto v. Garretson*, 237 N.J.Super. 444, 568 A.2d 119 (A.D.1989).

Insurer and agent were not liable in allegedly failing to inform insured about higher levels of underinsured motorist coverage. *Pinto v. Garretson*, 237 N.J.Super. 444, 568 A.2d 119 (A.D.1989).

11:3-15.4 Compliance

(a) No new private passenger automobile insurance policy or renewal shall be issued on or after July 13, 2004 unless the application for the policy or renewal is accompanied by a Buyer’s Guide, a Coverage Selection Form and an Automobile Insurance Consumer Bill of Rights that meet the minimum standards prescribed in this subchapter.

1. The notice of renewal shall include the appropriate Coverage Selection Form for the policy being renewed.

2. Where application for or renewal of an insurance policy is made via the Internet, compliance with (a) above shall be satisfied by having the Buyer’s Guide, Coverage Selection Form and Automobile Insurance Consumer Bill of Rights readily available to the applicant/insured on the insurer’s website. In addition to being readily available on the insurer’s website, this information also may be placed on the producer’s website, if provided or authorized by the insurer.

3. Where application for or renewal of an insurance policy is made via the telephone and coverage is bound during the telephonic transaction, compliance with (a)

above shall be satisfied if the insurer, with the agreement of the applicant or insured, sends the insured the Buyer’s Guide, a completed Coverage Selection Form showing the coverage choices made by the insured, and an Automobile Insurance Consumer Bill of Rights within five business days after the telephonic transaction is completed. Insureds may alter coverages based on their review of such documents by returning a signed Coverage Selection Form with the changes noted therein, or electronically, provided that the requirements of N.J.S.A. 12A:12-1 et seq. are satisfied and that such process is made available by the insurer. Such alterations shall be effective in accordance with N.J.A.C. 11:3-15.7(d)2.

(b) The Buyer’s Guide, Coverage Selection Form and Automobile Insurance Consumer Bill of Rights incorporate and therefore satisfy any and all other notice requirements previously set forth for the coverage options required by the New Jersey Automobile Reparation Reform Act, the New Jersey Automobile Insurance Reform Act of 1982, the New Jersey Automobile Insurance Freedom of Choice and Cost Containment Act of 1984, the Automobile Insurance Cost Reduction Act of 1998 and P.L. 2003, c.89.

(c) By April 29, 2004, each insurer shall file its Coverage Selection Forms with the Department’s Insurance Claims Ombudsman. The filing shall include both Coverage Selection Forms, the supporting information on how the Lawsuit Option rate differentials were calculated as required by N.J.A.C. 11:3-15.6(g)4 and a letter listing all alterations and additions, if any, made from the text found in Appendix, Exhibits 1 and 2.

1. The filing shall be deemed approved if not affirmatively approved or disapproved within 30 days of filing.

(d) An insurer may make changes in its Coverage Selection Forms by filing a copy with the Department’s Insurance Claims Ombudsman. The bottom of the last page shall clearly indicate the month and year in which the changes were implemented. The filing shall be deemed approved if not affirmatively approved or disapproved within 30 days of filing.

New Rule, R.1989 d.117, effective February 21, 1989.

See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

Repealed “General context of written notice”.

Amended by R.1996 d.58, effective February 5, 1996.

See: 27 N.J.R. 3682(a), 28 N.J.R. 855(a).

Amended by R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).

See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).

Rewrote the section.

Amended by R.2004 d.117, effective March 15, 2004.

See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).

Rewrote the introductory paragraphs of (a), (b), and (c); in (d), deleted “Buyer’s Guide or” preceding “Coverage Selection Forms”.

Amended by R.2005 d.83, effective March 7, 2005.

See: 36 N.J.R. 4207(a), 37 N.J.R. 775(a).

In (a), added 2 and 3.

Case Notes

Insurance agent had no obligation to contact insureds to provide explanation of notice provided by insurance carrier. *Bruce v. James P. MacLean Firm*, 238 N.J.Super. 501, 570 A.2d 49 (L.1989), affirmed 238 N.J.Super. 408, 570 A.2d 1.

"Notice of coverage" provisions imposed duty on carrier to prove only that it mass mailed requisite materials concerning optional coverage to its insureds. *Bruce v. James P. MacLean Firm*, 238 N.J.Super. 501, 570 A.2d 49 (L.1989), affirmed 238 N.J.Super. 408, 570 A.2d 1.

11:3-15.5 New Jersey Auto Insurance Buyer's Guide

(a) Each insurer shall produce a Buyer's Guide by reproducing the Buyer's Guide available on the Department's website at <http://www.state.nj.us/dobi/acrobat/auto-guide02.pdf>. The Department shall notify insurers of any changes to the Buyer's Guide by Bulletin. Insurers shall provide the Buyer's Guide, as revised, for new and renewal business as soon as practicable, but no later than 90 days after the date of the Bulletin.

(b) The Buyer's Guide shall be reproduced in the format presented on the website, duplicating the information provided therein and, to the extent practicable, the layout, fonts, type-point sizes, colors and illustrations. Notwithstanding the foregoing, consistent with the requirements of N.J.A.C. 11:2-18.4, all text in the Buyer's Guide shall be printed in at least 10-point type on paper of a quality sufficient to assure that the printing does not bleed from one side to the other.

(c) The Buyer's Guide shall provide general descriptions of:

1. How to begin to shop for automobile insurance;
2. The types of policies available and the basic differences between them;
3. Various insurance coverages such as Personal Injury Protection (PIP), Liability (including bodily injury and property damage liability coverage), Uninsured/Underinsured Motorists, Collision and Comprehensive;
4. Policy terms such as limits, deductibles, producer and direct writer;
5. PIP options such as deductibles and health care primary and PIP package coverage such as income continuation, essential services, death benefit and funeral expense benefit;
6. Comprehensive and Collision options such as limits, deductibles and named driver exclusions;
7. A Lawsuit Limitation Selection Guide that explains the tort threshold options with a warning that insurance companies and their producers shall not be held liable for the consumer's choice of right to sue options; and
8. Information on how the consumer can contact the Department of Banking and Insurance.

(d) In addition, the Buyer's Guide may include company-specific information, such as its name and/or company logo, contact information and company-specific coverage options, provided that the information is consistent with the purposes of this subchapter.

(e) The Buyer's Guide shall contain a statement advising the insured or applicant that additional information concerning coverages or premiums is available by contacting the insurer or the producer. Insurers that write at least two percent of the New Jersey private passenger automobile market shall provide a toll-free telephone number for this purpose.

(f) As required by N.J.S.A. 17:29E-11, the Buyer's Guide shall contain a notice describing the functions of the Insurance Claims Ombudsman, the mailing address of the Ombudsman and a toll-free information telephone number.

New Rule, R.1989 d.117, effective February 21, 1989.

See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

Repealed "General content of buyer's guide".

Amended by R.1989 d.624, effective December 18, 1989 (operative January 1, 1990).

See: 21 N.J.R. 3244(a), 21 N.J.R. 3922(a).

(c) deleted.

Amended by R.1990 d.580, effective November 19, 1990 (operative January 1, 1991).

See: 22 N.J.R. 1681(a), 22 N.J.R. 3488(b).

Amended to clarify when a Buyer's Guide and Coverage Selection Form are required to be received by the public, and, for convenience to the reader, to reference the rules concerning the use of the Coverage Selection Form (see section 13 of the "Fair Automobile Insurance Reform Act of 1990").

Repeal and New Rule, R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).

See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).

Section was "Content of written notice; receipt by public".

Amended by R.2004 d.117, effective March 15, 2004.

See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).

rewrote the section.

Case Notes

Insured could not have jury trial in reformation action for agent's failure to inform insured of available underinsured motorist coverage. *Weinisch v. Sawyer*, 123 N.J. 333, 587 A.2d 615 (1991).

Direct writing insurer was not responsible for insured's inadequate underinsured motorist (UIM) coverage. *Andriani v. New Jersey Mfrs. Ins. Co.*, 245 N.J.Super. 252, 584 A.2d 875 (A.D.1991), certification denied 126 N.J. 327, 598 A.2d 886.

Client-initiated contacts with insurance brokers can result in broker's duty to exercise skill and possess knowledge concerning coverages. *Avery v. Arthur E. Armitage Agency*, 242 N.J.Super. 293, 576 A.2d 907 (A.D.1990).

Insurer's buyer's guide and coverage selection form complied with regulations. *Avery v. Arthur E. Armitage Agency*, 242 N.J.Super. 293, 576 A.2d 907 (A.D.1990).

Insurer that was already voluntarily offering underinsured motorist coverage prior to January 1, 1984 did not have adjustment period until July 1, 1984. *Sikking v. Nelson*, 242 N.J.Super. 185, 576 A.2d 311 (A.D.1990).

"Notice of coverage" provisions required carrier to prove only that it mass mailed requisite materials. *Bruce v. James P. MacLean Firm*, 238 N.J.Super. 501, 570 A.2d 49 (L.1989), affirmed 238 N.J.Super. 408, 570 A.2d 1.

Insured was not entitled to underinsured motorist benefits: insurance carried by two vehicles which struck his was greater than the amount of uninsured coverage which he could have obtained. *Pinto v. Garretson*, 237 N.J.Super. 444, 568 A.2d 119 (A.D.1989).

Insurer and agent were not liable in allegedly failing to inform insured about higher levels of underinsured motorist coverage. *Pinto v. Garretson*, 237 N.J.Super. 444, 568 A.2d 119 (A.D.1989).

Whether insured was contributorily negligent was for jury. *Weinisch v. Sawyer*, 237 N.J.Super. 195, 567 A.2d 259 (A.D.1989), certification granted 121 N.J. 658, 583 A.2d 345, reversed 123 N.J. 333, 587 A.2d 615.

11:3-15.6 Minimum standards for Coverage Selection Forms

(a) Each insurer shall have a separate Coverage Selection Form for the Standard Policy and for the Basic Policy using

the text found in the Appendix, Exhibits 1 and 2 incorporated herein by reference.

(b) The Coverage Selection Forms shall contain a statement advising the insured or applicant that additional information concerning coverages or premiums is available by contacting the insurer or the producer. Insurers that write at least two percent of the New Jersey private passenger automobile market shall provide a toll-free telephone number for this purpose.

(c) Except as otherwise provided in the text, each Coverage Selection Form shall be printed in at least 10-point type on a paper size that is easily readable.

(d) In addition to the required text, each Coverage Selection Form shall include space at the top for the consumer's name and any other necessary information such as policy number, etc. The bottom of each Coverage Selection Form shall have space for the consumer's signature and date.

1. Text in the Appendix, Exhibits 1 and 2 in italics, *thus*, is instructions or options for the insurer and should not be printed in the Coverage Selection Form.

2. Text in uppercase letters denotes section headings, defined terms or is for emphasis. Insurers are not restricted to uppercase for these purposes in formatting the Coverage Selection Forms.

(e) An insurer may expand the form to solicit additional relevant information, including, but not limited to, the names of resident relatives eligible for PIP benefits.

(f) Each Coverage Selection Form shall include the range of premium rate differences as indicated by the text in the Exhibits. Each insurer shall determine the range of premium rate differences for use in these sections. Premium rate differences for the Lawsuit Options in the Standard Policy Coverage Selection Form, Appendix, Exhibit 1 shall be calculated according to (g) below. When the range of premium rate differences on a Coverage Selection Form changes for any reason, including, but not limited to, rate changes, a new Coverage Selection Form with the current numbers shall be filed with the Department in accordance with N.J.A.C. 11:3-15.4(d).

(g) Each insurer shall calculate the percentage and dollar change in premium (or rate) from the selection of the No Limitation on Lawsuit Option in accordance with (g)1 through 4 below. In these calculations, premium (or rate) shall include any expense fee.

1. The Percentage Change Calculation: The range of percentage increase in the bodily injury liability premium arising from the selection of the No Limitation on Lawsuit Option shall be calculated as follows:

i. The low end of the percentage range shall be produced by calculating the percentage increase in the bodily injury liability premium of a policy with a \$250,000/\$500,000 split limit or a \$500,000 single limit for a change from the Limitation on Lawsuit Option to the No Limitation on Lawsuit Option. This calculation shall be made for the territory with the lowest basic limit Limitation on Lawsuit Option rate, and shall assume standard tier, pleasure usage by an age 30-64, married male principal operator.

ii. The high end of the percentage range shall be produced by making the same type of calculation using a policy with minimum limits for the territory with the highest basic limit Limitation on Lawsuit Option rate, and shall assume business usage by a standard-tier, 22 year old, unmarried male principal operator.

2. The Dollar Change Calculation: The range of dollar increase in the bodily injury liability premium arising from the selection of the No Limitation on Lawsuit Option shall be determined by subtracting the Limitation on Lawsuit Option rate from the comparable No Limitation on Lawsuit Option rate for the following two rating examples:

i. The low end of the dollar range shall be a policy with minimum limits for the territory with the lowest basic limit Limitation on Lawsuit Option rate, and shall assume standard tier, pleasure usage by an age 30-64, married male principal operator.

ii. The high end of the dollar range shall be calculated at a \$250,000/\$500,000 split limit or a \$500,000 single limit policy for the territory with the highest basic limit Limitation on Lawsuit Threshold Option, and shall assume business usage by a standard tier, 22 year old, unmarried male principal operator.

iii. Because the range of the possible additional dollar cost will depend upon territory, bodily injury liability loss limits, and other factors, insurers shall be permitted to use round numbers to represent the approximate range of the cost increase. For example, if the smallest dollar rate increase was \$54.00 and the largest \$305.00, the insurer may use the range \$50.00 to \$310.00 on its Coverage Selection Form.

3. Premium Basis for Single Limit Liability Coverage:

i. For single limit liability coverage, the percentage range calculation that is described in (g)1 above shall be based upon the applicable liability rate. This calculation shall be made on the basis of a combined rate containing a charge for bodily injury liability, and property damage liability.

ii. For single limit liability coverage, the dollar range calculation that is described in (g)2 above shall be based upon the applicable liability rate. In contrast to the procedure in (g)3i above, the dollar change calculation shall be made on the basis of a complete rate containing a charge for bodily injury liability, personal injury protection (PIP), and property damage liability.

4. Insurers shall prepare:

i. An example showing the calculation of the high and low values for the percentage and dollar change ranges;

ii. Data about the insurer's territorial rates to confirm that the highest and lowest basic limit Limitation on Lawsuit Option rates have been used in the example. A rating page showing a list of Standard tier, basic limit rates by territory shall be sufficient;

iii. Data about the insurer's increased limits liability rating, vehicle usage, and type of driver factors to confirm that the proper relativities have been used in

the example. The appropriate rating pages shall be sufficient; and

iv. For those insurers offering only single limit liability coverage, an explanation of the procedure used to develop the bodily injury liability rate from which the percentage and dollar change amounts have been determined. This explanation shall include an example of the calculation methodology.

As amended, R.1984 d.479, eff. November 5, 1984.

See: 16 N.J.R. 1693(a), 16 N.J.R. 3038(a).

(a)3: added "as amended by P.L. 1984 c.40".

New Rule, R.1989 d.117, effective February 21, 1989.

See: 20 N.J.R. 2984(a), 21 N.J.R. 558(b).

Repealed "Specific coverages and options to be included in written notice and buyer's guide".

Amended by R.1990 d.580, effective November 19, 1990 (operative January 1, 1990).

See: 22 N.J.R. 1681(a), 22 N.J.R. 3488(b).

Subsection (n) of this section is amended to delete in its entirety the text of the Buyer's Guide and to substitute new text therefor. The new text is written in plain language pursuant to the requirement of section 13 of the "Fair Automobile Insurance Reform Act of 1990" and incorporated several changes required to be made in the Coverage Selection Form by the Act; also amended to delete the provision that the Department, upon request from an insurer, will prepare a coverage-ready final page of the Buyer's Guide.

R.1992 d.218, effective May 18, 1992.

See: 24 N.J.R. 523(a), 24 N.J.R. 1898(b).

In (c), "Insurance companies... shall delete those sections" was "may delete...". Added new (n), regarding additional medical benefits, and redesignated existing (n) as (o), with extensive revisions to Buyer's Guide. Redesignated existing (o) through (r) as (p) through (s).

Amended by R.1996, d.58, effective February 5, 1996.

See: 27 N.J.R. 3682(a), 28 N.J.R. 855(a).

In (e) provided for supplies of the current Buyer's Guide, in (g) deleted "by glue or staples" following "bound", and in (o) rewrote the Buyer's Guide.

Repeal and New Rule, R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).

See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).

Section was "Minimum Standards for New Jersey Auto Insurance Buyer's Guide".

Amended by R.2004 d.117, effective March 15, 2004.

See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).

Substituted "Appendix, Exhibits 1 and 2" for "Appendix, Exhibits 1, and 3 in (a) and (d)1; in (f), substituted "Appendix, Exhibit 1" for Appendix, Exhibit 2" and "filed with the Department in accordance with N.J.A.C. 11:3-15.4(d) for "printed and used".

Case Notes

Whether tort-feasor's vehicle is underinsured is not determined relative to injured person's damages or relative to judgment or judgments against tort-feasor, but rather relative to limits of coverage purchased by or for injured person. *Calabrese v. Selective Ins. Co. of America*, 297 N.J.Super. 423, 688 A.2d 606 (A.D.1997).

Driver who owned no automobile and was injured in cohabitant's car was entitled to underinsured motorist benefits. *Market Transition Facility of New Jersey By and Through Amgro Ins. Co. v. Parisi-Lusardi*, 293 N.J.Super.471, 681 A.2d 660 (A.D.1996).

Motorcyclist's tort claim for personal injuries sustained when his motorcycle collided with automobile subject to verbal threshold; he chose that option for liability policy covering only his personally owned automobile and not his motorcycle, even though he was not eligible for personal injury protection benefits under that policy. *Koff v. Carrubba*, 290 N.J.Super. 544, 676 A.2d 184 (A.D.1996).

Insured who was injured by uninsured motorist and underinsured motorist was entitled to recover no more than \$75,000 as maximum limit of liability per accident; not entitled to recover maximum uninsured benefits and maximum underinsured benefits; overruling *Conigliario v. Hanover Ins. Co.*, 233 N.J.Super. 627, 559 A.2d 875. *Hesser v. Harleysville-Garden State Ins. Co.*, 287 N.J.Super. 47, 670 A.2d 123 (A.D.1996).

The Automobile Reparation Reform Act limits on recovery from tort-feasor. *Roig v. Kelsey*, 135 N.J. 500, 641 A.2d 248 (1994).

No regulation prevents insurer from providing greater underinsured motorist coverage to insured than is provided under insured' personal insurance. *French v. New Jersey School Bd. Ass'n Ins. Group*, 149 N.J. 478, 694 A.2d 1008 (N.J. 1997).

Motorist could reasonably and objectively expect to be buying protection up to declared legal limits. *Clegg v. New Jersey Auto. Full Underwriting Ass'n By and Through Cigna Ins. Co.*, 254 N.J.Super. 634, 604 A.2d 179 (A.D.1992).

There was common-law duty on part of insurance carriers or their agents to advise insureds concerning possible need for higher policy limits upon policy renewal. *Wang v. Allstate Ins. Co.*, 125 N.J. 2, 592 A.2d 527 (1991).

Insured could not have jury trial in reformation action for agent's failure to inform insured of available underinsured motorist coverage. *Weinisch v. Sawyer*, 123 N.J. 333, 587 A.2d 615 (1991).

Direct writing insurer was not responsible for insured's inadequate underinsured motorist (UIM) coverage. *Andriani v. New Jersey Mfrs. Ins. Co.*, 245 N.J.Super. 252, 584 A.2d 875 (A.D.1991), certification denied 126 N.J. 327, 598 A.2d 886.

Client-initiated contacts with insurance brokers can result in broker's duty to exercise skill and possess knowledge concerning coverages. *Avery v. Arthur E. Armitage Agency*, 242 N.J.Super. 293, 576 A.2d 907 (A.D.1990).

Insurer's buyer's guide and coverage selection form complied with regulations. *Avery v. Arthur E. Armitage Agency*, 242 N.J.Super. 293, 576 A.2d 907 (A.D.1990).

Automobile insurer that was already voluntarily offering underinsured motorist coverage prior to January 1, 1984 did not have adjustment period until July 1, 1984. *Sikking v. Nelson*, 242 N.J.Super. 185, 576 A.2d 311 (A.D.1990).

"Notice of coverage" provisions required carrier to prove only that it mass mailed requisite materials. *Bruce v. James P. MacLean Firm*, 238 N.J.Super. 501, 570 A.2d 49 (L.1989), affirmed 238 N.J.Super. 408, 570 A.2d 1.

Whether insured was contributorily negligent was question for jury. *Weinisch v. Sawyer*, 237 N.J.Super. 195, 567 A.2d 259 (A.D.1989), certification granted 121 N.J. 658, 583 A.2d 345, reversed 123 N.J. 333, 587 A.2d 615.

Buyer's guide and coverage selection form did not contain inherent bias or confusion on basis that Commissioner made reference to "basic limit" as opposed to "basic tort option." *Emmer v. Merin*, 233 N.J.Super. 568, 559 A.2d 845 (A.D.1989), certification denied 118 N.J. 181, 570 A.2d 950.

Buyer's guide and coverage selection form which gave basic tort option, as opposed to no-threshold option, a favorite status, was justifiable. *Emmer v. Merin*, 233 N.J.Super. 568, 559 A.2d 845 (A.D. 1989), certification denied 118 N.J. 181, 570 A.2d 950.

Commissioner's regulations did not have to require that coverage selection form inform consumers of exact dollar amount of premium savings arising from election. *Emmer v. Merin*, 233 N.J.Super. 568, 559 A.2d 845 (A.D.1989), certification denied 118 N.J. 181, 570 A.2d 950.

Commissioner's use of term "lawsuit threshold" in buyer's guide and coverage selection form, as opposed to "verbal threshold" did not lead to confusion. *Emmer v. Merin*, 233 N.J.Super. 568, 559 A.2d 845 (A.D.1989), certification denied 118 N.J. 181, 570 A.2d 950.

STATEMENT OF INSURED or APPLICANT:

I have read the Buyer's Guide outlining the coverage options available to me. The limits available for PIP medical expense coverage and uninsured and underinsured motorists coverage have been explained to me. My choices are shown above. I agree that each of these choices will apply for all vehicles insured by my policy and to each subsequent renewal, continuation, replacement or amendment until the insurer or its insurance producer receives my request that a change be made.

For new policyholders, I understand that:

- (a) If I do not make a choice to have the No Limitation on Lawsuit Option, I will receive the Limitation on Lawsuit option;
- (b) If I carry collision and/or comprehensive coverage without making a written choice of deductible, I will receive the default \$750 deductible;
- (c) If I do not choose to have my health insurer provide PIP medical expense benefits, my auto insurer will provide PIP medical expense benefits; and
- (d) If I do not choose a lower PIP medical expense limit, I will receive the \$250,000 limit.

I understand that if this is a policy renewal and if I do not complete choices, I will receive the same coverage as in my previous policy except when changes are required by a law becoming effective during the term of my previous policy. I understand that these choices take effect in the following manner:

- (1) For new policies, on the effective date of the policy;
- (2) For mid-term policy changes, on the day following the date of postmark or, when personal delivery is made or the postmark is illegible, the day following receipt of this form by the insurer or producer; and
- (3) For changes upon renewal, on the date of the next policy renewal if postmarked or received by the insurance company or by an insurance producer prior to the renewal date.

ANY PERSON WHO KNOWINGLY MAKES AN APPLICATION FOR MOTOR VEHICLE INSURANCE COVERAGE CONTAINING ANY STATEMENT THAT THE APPLICANT RESIDES OR IS DOMICILED IN THIS STATE WHEN, IN FACT, THAT APPLICANT RESIDES OR IS DOMICILED IN A STATE OTHER THAN THIS STATE, IS SUBJECT TO CIVIL AND CRIMINAL PENALTIES.

Please check the appropriate box to which this form applies:

- New Policy Mid-Term Change
- Renewal Change

SIGNATURE OF NAMED INSURED

OR APPLICANT _____

DATE _____

EXHIBIT 2

BASIC POLICY COVERAGE SELECTION FORM

Name: _____

This Coverage Selection Form is for a **BASIC POLICY**, see Buyer's Guide, page insert page #here. A **STANDARD POLICY** with more coverages and higher limits is also available for a higher premium. A **SPECIAL POLICY** with a very low premium is also available for persons enrolled in Medicaid. Contact your insurer or producer for more information.

BODILY INJURY LIABILITY—Buyer's Guide page—*insert page #here*

Yes, I choose the \$10,000 Bodily Injury Liability Limit.

No, I do not choose to have Bodily Injury Liability Coverage.

WARNING: If you do not choose to have Bodily Injury Liability Coverage and you are at fault in an accident where people are injured or die, you will be responsible for paying for the pain, suffering and other personal hardships and some economic damages, such as lost wages that you cause. Your insurer will not pay a judgment against you or pay for a lawyer to defend you if you are sued. Your assets will be at risk, including having money deducted from your wages if a judgment is entered against you. *Warning must be in at least 12 point type.*

WARNING: Insurers or their producers or representatives shall not be held liable for choices you make for insurance coverages or limits as long as your choices provide at least the minimum coverage required by law. Insurers or their producers or representatives also shall not be held liable if you choose to purchase a basic policy instead of a standard policy, or if you choose not to purchase bodily injury liability coverage, collision coverage or comprehensive coverage. Insurers, their producers and representatives can lose this limitation on liability for failing to act in accordance with the law. See N.J.S.A. 17:28-1.9 for more information.

PERSONAL INJURY PROTECTION—Buyer's Guide, page *insert page #here*

WARNING: For a **BASIC POLICY**, the limit on PIP Medical Expense Coverage is \$15,000 but includes up to \$250,000 for emergency care of certain catastrophic injuries

(See Buyer's Guide page insert page #here). Prior to insert effective date of P.L. 1998, c.21, all automobile insurance policies had PIP Medical Expense limits of \$250,000. The PIP Medical Expense Coverage for a BASIC POLICY is significantly less than previously required by law. *Warning must be in at least 12 point type.*

Choose the PIP Medical Expenses Deductible you want:

- \$250 deductible, minimum required by law.
- \$500 deductible, for a ___% to ___% reduction in the PIP premium.
- \$1,000 deductible, for a ___% to ___% reduction in the PIP premium.
- \$2,000 deductible, for a ___% to ___% reduction in the PIP premium.
- \$2,500 deductible, for a ___% to ___% reduction in the PIP premium.

COLLISION COVERAGE—Buyer's Guide, page *insert page #here*

- No, I choose not to be covered for collision damage.
- Yes, I choose to be covered for collision damage with the basic deductible.
- Yes, I choose to be covered for collision damage with the deductible circled here: \$1,000, \$1,500 or \$2,000. This premium will be less than the premium with the default \$750 deductible. Details available from company or insurance producer (i.e., agent or broker).
- Yes, I choose to be covered for collision damage with the deductible circled here: \$100, \$150, \$200, \$250 or \$500. This premium will be more than the premium with the default \$750 deductible. Details available from insurer or insurance producer.

Insert provision for coverage/no coverage per car if available

COMPREHENSIVE COVERAGE Buyer's Guide page *insert page #here* If appropriate, use the term "other than collision" coverage throughout this section

- No, I choose not to be covered for comprehensive damage.
- Yes, I choose to be covered for comprehensive damage with the default \$750 deductible.
- Yes, I choose to be covered for comprehensive damage with the deductible circled here: \$1,000, \$1,500 or \$2,000. This premium will be less than the premium with the default \$750 deductible. Details available from insurer or insurance producer.
- Yes, I choose to be covered for comprehensive damage with the deductible circled here: \$100, \$150, \$200, \$250 or \$500. This premium will be more than the premium with the \$750 deductible. Details available from insurer or insurance producer.

Insert provision for coverage/no coverage per car if available.

These sections should be omitted by insurers that do not offer collision and comprehensive coverage in the Basic Policy. For both collision and comprehensive, if either the \$200 deductible or \$250 deductible is not offered, that option may be deleted from this form. Also, all other available collision and comprehensive deductibles shall be listed where appropriate.

STATEMENT OF INSURED or APPLICANT:

I have read the Buyer's Guide outlining the coverage options available to me. I understand that this is a BASIC POLICY with the minimum coverages required by law and that a Standard Policy with higher limits and additional coverages is available. The option to buy Bodily Liability Coverage has been explained to me. My choices are shown above. I agree that each of these choices will apply for all vehicles insured by my policy and to each subsequent renewal, continuation, replacement or amendment until the insurer or its insurance producer receives my request that a change be made.

For new policyholders, I understand that:

(a) Unless I choose to have the \$10,000 Bodily Injury Liability Coverage, I will not receive any Bodily Injury Liability Coverage;

(b) If I choose collision or comprehensive coverage without making a written choice of deductible, I will receive the \$750 deductible; I understand that if this is a policy renewal and if I do not complete choices, I will receive the same coverage as in my previous policy except when changes are required by a law becoming effective during the term of my previous policy.

I understand that these choices take effect in the following manner:

- (1) For new policies, on the effective date of the policy;
- (2) For mid-term policy changes, on the date of postmark or, when personal delivery is made or if the postmark is illegible, the day following receipt of this Form by the insurers or by a producer; and
- (3) For changes upon renewal, on the date of the next policy renewal if postmarked or received by the insurance company or by an insurance producer prior to the renewal date.

ANY PERSON WHO KNOWINGLY MAKES AN APPLICATION FOR MOTOR VEHICLE INSURANCE COVERAGE CONTAINING ANY STATEMENT THAT THE APPLICANT RESIDES OR IS DOMICILED IN THIS STATE WHEN, IN FACT, THAT APPLICANT RESIDES OR IS DOMICILED IN A STATE OTHER THAN THIS STATE, IS SUBJECT TO CIVIL AND CRIMINAL PENALTIES.

Please check the appropriate box to which this form applies:

[] New Policy [] Mid-Term Change [] Renewal Change

SIGNATURE OF NAMED INSURED

OR APPLICANT _____

DATE _____

New Rule, R.1998 d.595, effective December 21, 1998 (operative March 22, 1999).
 See: 30 N.J.R. 3577(a), 30 N.J.R. 4452(a).
 Amended by R.2004 d.117, effective March 15, 2004.
 See: 35 N.J.R. 3523(a), 36 N.J.R. 1420(a).
 Deleted former Exhibit 1 and recodified Exhibit 2 and 3 as 1 and 2.

**SUBCHAPTER 16. RATE FILING REQUIREMENTS:
 VOLUNTARY MARKET PRIVATE PASSENGER
 AUTOMOBILE INSURANCE**

11:3-16.1 Purpose and scope

(a) This subchapter establishes data, filing format and standardized ratemaking information and methodology requirements for all private passenger automobile rate filings for the voluntary market, in implementation of N.J.S.A. 17:29A-1 et seq. and as required by N.J.S.A. 17:29A-36.2.

(b) This subchapter applies to all insurers making private passenger automobile insurance rate filings for the voluntary market in this State.

(c) These requirements apply to all rate or loss cost filings made by insurers for the revision of base rates or loss costs; informational filings to be made on July 1 of each year pursuant to N.J.S.A. 17:29A-36.2b; and those filings made under N.J.S.A. 17:29A-46.6.

(d) Any insurer wishing to effect the rate level by changing rates, rules or forms must file data pursuant to this subchapter.

(e) This subchapter establishes data requirements and filing procedures for insurers participating in rating organizations to adopt or modify a rating organization's prospective loss cost filing for private passenger automobile insurance.

(f) This subchapter applies to all rating organizations that file prospective loss costs and all insurer filings that adopt or modify a rating organization's prospective loss cost filing for private passenger insurance made pursuant to N.J.S.A. 17:29A-1 et seq. and 17:33B-31.

Emergency Amendment, R.1990 d.621, effective November 26, 1990 (expired January 25, 1991).
 See: 22 N.J.R. 3790(a).
 Expanded (d) to require filing of data pursuant to this subchapter.
 Adopted Concurrent Proposal, R.1991 d.91, effective January 25, 1991.
 See: 22 N.J.R. 3790(a), 23 N.J.R. 514(a).
 Provision of emergency amendment, R.1990 d.621, readopted without change.

Amended by R.1998 d.128, effective March 2, 1998.
 See: 29 N.J.R. 5240(a), 30 N.J.R. 828(a).
 In (c), inserted references to loss costs throughout, and substituted a reference to N.J.A.C. 17:29A-46.6 for a reference to N.J.A.C. 17:29A-44 at the end; and added (e) and (f).
 Amended by R.2005 d.176, effective June 6, 2005.
 See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).
 In (a), substituted "standardized ratemaking information and methodology requirements" for "preferred ratemaking requirements".

Case Note

Single line private passenger automobile insurer was entitled to 34% rate increase. In *The Matter Of GSA Insurance Company's Request For A Private Passenger Automobile Insurance Rate Increase, 2000 WL 148198 (N.J. Adm.), NO. BK1 10882-98.*

11:3-16.2 Definitions

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

"Accident year" means the 12-month period covering the occurrences during that period.

"Affiliate" means an insurer that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the insurer making a filing.

"AIRE" means the Automobile Insurance Risk Exchange, established pursuant to N.J.S.A. 39:6A-21.

"Base rate" means the manual rate that results from all rating factors (limits, class, tiers, etc.) being at unity (1.000 factor).

"Claim" means a request for payment for a loss which comes under the terms of an insurance contract.

"Commissioner" means the Commissioner of the New Jersey Department of Banking and Insurance.

"Control" is as defined in N.J.S.A. 17:27A-1.

"Coverages" means:

1. Split limit bodily injury (BI);
2. Split limit property damage (PD);
3. Combined single limit BI and PD (CSL);
4. Personal injury protection including medical payments (PIP);
5. BI, PD and PIP combined (PACK);
6. Uninsured and underinsured motorist, bodily injury and property damage (UM). For rate indication purposes, BI and PD components of UM may be combined with liability data in 1, 2, 3 or 5 above as applicable;
7. Comprehensive (COMP); and
8. Collision (COLL).

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

“Expenses” means that portion of a rate that is attributable to commissions and brokerage, other acquisition expenses, general expenses, and taxes, licenses and fees in addition to assessments for losses and costs relating to uninsured motorist coverage and pedestrian personal injury protection. Expenses include the Automobile Insurance Risk Exchange (AIRE) assessments, AIRE allocations, AIRE investment income, and Limited Assignment Distribution (LAD) carrier fees, if applicable, or the expected gain (deficit) resulting from assigned risk business.

“Exposure” means one car insured for one year, or two cars insured for six months each, etc.

“Filer” means any insurer or rating organization who makes an annual informational filing or rate filing requiring prior approval pursuant to these rules.

“Group of coverages” means liability coverages (to include bodily injury liability, property damage liability, personal injury protection and uninsured/underinsured motorists) and physical damage coverages (to include collision and comprehensive).

“Informational filing” means a filing made annually on July 1 in accordance with N.J.S.A. 17:29A-36.2b.

“Loss cost multiplier” means the adjustment reflecting expenses, profit loading and any modifications that the insurer used on the loss costs to produce final rates.

“Rating organization” means every person or persons, corporation, partnership, company, society, or association engaged in the business of ratemaking for two or more insurers.

“Prior approval filing” means a filing made pursuant to N.J.S.A. 17:29A-14 and N.J.A.C. 11:3-16.6 to alter, supplement or amend rating system or any part thereof.

“Prospective loss cost” means that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit, and are based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time.

“Rate” means the unit charge by which the measure of exposure or the amount of insurance specified in a policy of insurance or covered thereunder is multiplied to determine the premium. The unit charge may be expressed as a single number or as a prospective loss cost and an adjustment to account for the treatment of expenses, profit and variations in loss experience.

“Rating system” means every schedule, class, classification, rule, guide, standard, manual, table or rating plan by

whatever name described containing the rates and rules used by any insurer in determining or ascertaining a rate.

“Reasonable total rate of return” means that rate of return appropriate for an enterprise given the risk involved.

“Small filer” means a filer with less than 0.5 percent of the New Jersey written premiums in the voluntary market for private passenger automobile insurance for the most recently available prior calendar year.

“Tier” and “tier rating system” refer to one or more tier placement criteria, filed and approved pursuant to N.J.S.A. 17:29A-46.1 et seq. and N.J.A.C. 11:3-19A, which defines and characterizes one or more mutually exclusive groups of insureds.

“Total rate of return” means underwriting return and investment return on both reserves plus capital and surplus, related as a percentage to capital and surplus.

Emergency Amendment, R.1990 d.621, effective November 26, 1990 (expired January 25, 1991).

Sec: 22 N.J.R. 3790(a).

Added definitions for “advisory organization”, “affiliate”, “base rate”, “control”, “group of coverages”, “MTF”, “NJAFIUA” and “rating organization”.

Adopted Concurrent Proposal, R.1991 d.91, effective January 25, 1991.

Sec: 22 N.J.R. 3790(a), 23 N.J.R. 514(a).

Provision of emergency amendment, R.1990 d.621, readopted with changes effective February 19, 1991.

Amended by R.1993 d.158, effective April 5, 1993.

Sec: 24 N.J.R. 4486(a), 24 N.J.R. 56(a), 25 N.J.R. 1543(a).

Added “Amount(s) paid to the MTF”.

Amended by R.1996 d.58, effective February 5, 1996.

Sec: 27 N.J.R. 3682(a), 28 N.J.R. 855(a).

Deleted definition of “Public Advocate”.

Amended by R.1998 d.128, effective March 2, 1998.

Sec: 29 N.J.R. 5240(a), 30 N.J.R. 828(a).

Inserted “Expenses”: in “Filer”, inserted a reference to rating organizations, and deleted a reference to flex rate filing; deleted “Flex rate” and “Flex rate filing”; and inserted “Loss cost multiplier”, “Prior approval filing”, “Prospective loss cost”, “Rate”, “Supplementary rate information”, and “Tier” and “tier rating system”.

Amended by R.2003 d.173, effective May 5, 2003.

Sec: 34 N.J.R. 3475(a), 35 N.J.R. 1907(a).

Deleted “AIP”, “Amount(s) paid to the MTF”, “MTF” and “NJAFIUA”; in “All other coverages”, inserted “New Jersey” preceding “page 14”.

Amended by R.2003 d.499, effective December 15, 2003.

Sec: 35 N.J.R. 3084(a), 35 N.J.R. 5604(a).

Rewrote “Expenses” and deleted “UCJF”.

Amended by R.2005 d.176, effective June 6, 2005.

Sec: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).

Rewrote the section.

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

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

In definition “Tier” and “tier rating system”, substituted “tier placement criteria” for “underwriting rules”, and inserted a comma after the N.J.A.C. reference.

11:3-16.3 General requirements and filing format

(a) The data requirements set forth in this subchapter are minimum requirements. The filer may submit any other data it believes to be relevant in justifying proposed rate changes. If the filer has not collected portions of this information in the

See: 25 N.J.R. 4523(a).

Amended by R.1994 d.46, effective January 18, 1994.

See: 25 N.J.R. 4436(a), 26 N.J.R. 378(b).

Amended by R.1998 d.128, effective March 2, 1998.

See: 29 N.J.R. 5240(a), 30 N.J.R. 828(a).

In (a), added a second sentence in 1; in (f), added a reference to loss costs at the end; and added (g) through (i).

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.

Amended by R.2003 d.173, effective May 5, 2003.

See: 34 N.J.R. 3475(a), 35 N.J.R. 1907(a).

Rewrote (a) and (b).

Amended by R.2003 d.499, effective December 15, 2003.

See: 35 N.J.R. 3084(b), 35 N.J.R. 5604(a).

Rewrote the section.

Repeal and New Rule, R.2005 d.176, effective June 6, 2005.

See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).

Section was "Rate calculation using standard ratemaking methodology".

11:3-16.11 Incomplete filings and further proceedings

(a) Failure to submit the data and calculations required by this subchapter may result in a finding that the filing is incomplete. The Department shall promptly notify a filer of a finding that its filing is incomplete.

(b) No finding that a filing is incomplete shall be based solely on the filer's failure to include data that was either not being collected, or was not collected in a manner so as to facilitate reporting, on February 5, 1990, provided that the filer includes with the filing a statement that identifies the item or items not included; specifies the reason; and certifies that the filer is undertaking action to collect and report such data in the future pursuant to N.J.A.C. 11:3-16.3(a).

(c) For informational filings, failure to submit a filing or failure to cure the deficiency of an incomplete filing within 30 days of notice shall authorize the Department to impose penalties as provided by N.J.S.A. 17:29A-23. Any penalty imposed shall be in addition to penalties imposed for failure to file an Excess Profits Report.

(d) For filings requiring prior approval, a notice that the filing is incomplete shall include a statement that the filing is disapproved as a nonconforming filing. The filer may thereafter resubmit the filing for approval with the deficiencies cured as noted.

Recodified from N.J.A.C. 11:3-16.11, effective November 26, 1990 (expired January 25, 1991).

See: 22 N.J.R. 3790(a).

Recodification adopted effective January 25, 1991.

See: 22 N.J.R. 3790(a), 23 N.J.R. 514(a).

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

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

Deleted former (d) and recodified (e) as (d).

Recodified from N.J.A.C. 11:3-16.13 by R.2005 d.176, effective June 6, 2005.

See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).

Former N.J.A.C. 11:3-16.11, Rate filings reflecting assessments and surtaxes, repealed.

Case Notes

Documents were not protected from disclosure under the deliberative process privilege. In the Matter of the Commissioner of Insurance's December 29, 1992 Certification of Amendments, 94 N.J.A.R.2d (INS) 31.

11:3-16.12 Voluntary written exposure and primary classification data

(a) All private passenger automobile insurers shall file, individually and as a member of an insurance holding company group, a report showing the total Statewide written exposures and primary classification distribution of policies written. The filer's performance under N.J.A.C. 11:3-16.8(a) shall be reviewed as a group and not by individual companies.

(b) The report shall be filed in accordance with the provisions of N.J.A.C. 11:3-3A.

(c) Sixty days after the receipt of the written exposures/primary classification data report filed by all insurers, the Department shall publish a Bulletin reflecting the Statewide exposure distribution of voluntary written exposure and classification report. The report shall establish the mean for all primary classifications.

(d) The following shall be the primary class codes pursuant to this section:

1. Principal Operators 65 and over;
2. Youthful Operator Unmarried Female, Pleasure/Farm Use;
3. Youthful Operator Unmarried Female, Drive to Work/Business Use;
4. Youthful Operator Unmarried Male, Principal Operator or Owner;
5. Youthful Operator Unmarried Male, Not Principal Operator or Owner;
6. Youthful Operator Married Male, Pleasure/Farm Use;
7. Youthful Operator Married Male, Drive to Work/Business Use;
8. No Youthful Operator, Principal Operator Under 65, Pleasure Use >3 miles;
9. No Youthful Operator, Principal Operator Under 65, Drive to Work, <10 miles;
10. No Youthful Operator, Principal Operator Under 65, Drive to Work, >10 miles;
11. No Youthful Operator, Principal Operator Under 65, Business Use; and
12. No Youthful Operator, Principal Operator Under 65, Farm Use.

New Rule, R.1998 d.128, effective March 2, 1998.

See: 29 N.J.R. 5240(a), 30 N.J.R. 828(a).
 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), amended the N.J.A.C. reference.
 Amended by R.2003 d.95, effective March 3, 2003.
 See: 34 N.J.R. 3470(a), 35 N.J.R. 1289(a).
 In (a), deleted "as of December 31 of the prior year" following "policies written"; rewrote (b).
 Recodified from N.J.A.C. 11:3-16.15 and amended by R.2005 d.176, effective June 6, 2005.
 See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).
 Deleted (e). Former N.J.A.C. 11:3-16.12 was reserved.

11:3-16.13 Prospective loss cost filing requirements for insurers

(a) In order for an insurer to incorporate a rating organization's prospective loss costs to establish its own rates, an insurer shall:

1. Be a participating insurer in the rating organization; and
2. File its loss cost multiplier using the Reference Filing Adoption Form (as set forth in Appendix Exhibit D to this subchapter and incorporated herein by reference). An insurer's loss cost multiplier shall be filed and become effective in accordance with N.J.S.A. 17:29A-1 et seq., N.J.S.A. 17:33B-31, and applicable provisions of N.J.A.C. 11:3-16 and 18. An insurer's final rates shall be a combination of the prospective loss costs and the loss cost multiplier.

i. An insurer may file modifications to the rating organization's approved prospective loss cost filing based on its own anticipated experience by using the Reference Filing Adoption Form. Supporting documentation shall be filed for any modification (upwards or downwards) to the rating organization's prospective loss cost filings. Supporting documentation must comply with N.J.A.C. 11:3-16.3(k).

ii. An insurer's loss cost multiplier shall remain in effect until the insurer revises the multiplier in accordance with N.J.S.A. 17:29A-14 and applicable provisions of N.J.A.C. 11:3-16 and 18.

(b) An insurer may vary expense loads by coverage. An insurer may use variable or fixed expense loads or a combination of these to establish their expense loadings by using the Reference Filing Adoption Form. An insurer's loss cost multiplier based on its expenses plus any profit provision shall be developed in accordance with N.J.A.C. 11:3-16.3(l).

(c) Any insurer participating in a rating organization shall continue to use all rates and deviations currently in effect for its use, until disapproved pursuant to N.J.S.A. 17:29A-14 or until the insurer revises its rates, either by making an independent filing or by filing a Reference Filing Adoption Form.

New Rule, R.1998 d.128, effective March 2, 1998.
 See: 29 N.J.R. 5240(a), 30 N.J.R. 828(a).
 Recodified from N.J.A.C. 11:3-16.16 and amended by R.2005 d.176, effective June 6, 2005.
 See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).
 In (a), substituted "Appendix exhibit D" for "Appendix exhibit C" in 2. Former N.J.A.C. 11:3-16.13, Incomplete filings and further proceedings, recodified to N.J.A.C. 11:3-16.11.

11:3-16.14 (Reserved)

Emergency New Rule, R.1990 d.621, effective November 26, 1990 (expired January 25, 1991).
 See: 22 N.J.R. 3790(a).
 Adopted Concurrent Proposal, R.1991 d.91, effective January 25, 1991.
 See: 22 N.J.R. 3790(a), 23 N.J.R. 514(a).
 Provision of emergency amendment, R.1990 d.621, readopted without change.
 Repealed by R.2005 d.176, effective June 6, 2005.
 See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).
 Section was "Rate adjustments upon repayment of assessments".

Case Notes

Act's provision requiring assessments to be deposited in guaranty fund was not unconstitutional. Matter of Loans of New Jersey Property Liability Ins. Guar. Ass'n, 124 N.J. 69, 590 A.2d 210, (1991).

11:3-16.15 (Reserved)

Recodified to N.J.A.C. 11:3-16.12 by R.2005 d.176, effective June 6, 2005.
 See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).
 Section was "Voluntary written exposure and primary classification data".

11:3-16.16 (Reserved)

Recodified to N.J.A.C. 11:3-16.13 by R.2005 d.176, effective June 6, 2005.
 See: 36 N.J.R. 5640(a), 37 N.J.R. 2026(a).
 Section was "Prospective loss cost filing requirements for insurers".

APPENDIX

EXHIBIT A

PRIOR APPROVAL FILINGS

Company/Group: _____

Company File No.: _____