

“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Repealed old rule, “effective date.”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 notice 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.

(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”.

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.

Insurance Commissioner acted properly when he required that coverage selection form contain provision referring consumers to their automobile insurance companies in event of questions on coverage. *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.

Model coverage selection form, was not arbitrary, unreasonable or capricious, and was substantially consistent with statutory language. *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.

Two statutes, one requiring that coverage selection form state the percentage difference in premium rates or dollar savings between the two tort options for suing for noneconomic loss and the other requiring that coverage selection form identify range of premium rate credit or dollar savings or both; were not inconsistent. *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.

11:3-15.7 Use of Coverage Selection Form; availability

(a) For all new policies, an insurer or an insurance producer shall receive a Coverage Selection Form signed by the named insured and indicating the prospective insured's coverage choices. Coverage shall not become effective until the signed Coverage Selection Form is received from the named insured, unless otherwise authorized by law.

(b) For the mid-term policy changes set forth in (b)1 through 5 below, the insurer shall receive a Coverage Selection Form signed by the named insured prior to making the change.

1. Change of policy type to Standard or Basic;
2. Change of Lawsuit Option (Standard Policy only):
3. Change of primary coverage for PIP medical expense benefits coverage (from or to Health Insurer Primary) (Standard Policy only);
4. Change in PIP Medical Expense Coverage Limit (Standard Policy only); and
5. Addition or deletion of Liability Coverage (Basic Policy only).

(c) An insurer may require that other policy changes be made by signed Coverage Selection Form.

(d) All coverage changes that are required to be made by a signed Coverage Selection Form, either by this subchapter or by the insurer, shall become effective in the following manner, except when coverage for comprehensive or collision is effected by a required inspection pursuant to N.J.A.C. 11:3-36.

1. For new policies, the choices on the Coverage Selection Form shall be effective on the policy effective date ;
2. For mid-term policy changes, the choices on the Coverage Selection Form shall be effective the day following the date of postmark or, when personal delivery is made or if the postmark is illegible, the day following receipt of the signed Coverage Selection Form by the insurer or an insurance producer;

3. For changes upon renewal, the changes shall be effective on the date of the next policy renewal if post-marked or received by the insurer or by an insurance producer prior to the renewal date.

(e) With the knowledge and consent of an insured or applicant, an insurer may transmit the Buyer's Guide and Coverage Selection Form to the applicant or insured by facsimile or electronic transmission. For purposes of this subchapter, insurers may make the Buyer's Guide and Coverage Selection Forms available at a website or by e-mail. Where applicants and policyholders obtain copies of these documents by e-mail or website, it shall not be necessary for insurers to also mail a copy of the document to the insured or applicant. A signed Coverage Selection Form may be transmitted to the insurer by facsimile but not by electronic mail.

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

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

Section was "Statement on the possible coordination of other health benefits coverage with the personal injury protection medical expense options".

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).

Amendments made to bring rule in line with changes in N.J.S.A. 39:6A-23 made by P.L. 1988 c.119.

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 be consistent with N.J.A.C. 11:3-15.6; the text of the Coverage Selection Form is amended both to clarify the current Form and requirements and to respond to changes required by the "Fair Automobile Insurance Reform Act of 1990".

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

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

In (h), added Note to 3, Warning statement to 7 and 8, and prohibition against domicile misstatement to (2).

Amended by R.1994 d.195, effective April 18, 1994.

See: 26 N.J.R. 85(a), 26 N.J.R. 1659(a).

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.412, effective August 3, 1998.

See: 30 N.J.R. 1747(a), 30 N.J.R. 2927(a).

In (a), substituted "of sufficient size to be easily readable" for "size eight and one-half inches by 11 inches" at the end of the first sentence. 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 coverage selection form".

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

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

In (e), inserted the second sentence.

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

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

In (b)1, substituted "Standard to Basic" for "from Basic to Standard or Standard to Basic".

Case Notes

Buyer's guide and coverage selection form in regulations promulgated by Insurance Commissioner to implement revisions to no-fault automobile insurance law 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.

Insurance Commissioner acted properly when he required that coverage selection form contain provision referring consumers to their automobile insurance companies in event of questions on coverage. *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.

Insurance Commissioner's proposed regulations, which implemented revisions to nonfault automobile insurance law requiring consumers to select between two options of coverage for automobile accident-related bodily injury, 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.

Model coverage selection form, proposed by regulations promulgated by Insurance Commissioner for implementing legislative revisions to no-fault automobile insurance law requiring consumers to select between two options of coverage for automobile accident-related bodily injury. *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.

Statute requiring that no-fault automobile insurance coverage selection form state the percentage difference in premium rates or dollar savings between the two tort options for suing for noneconomic loss was not inconsistent with statute requiring that coverage selection form identify range of premium rate credit or dollar savings or both. *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.

When promulgating regulations to implement revisions to no-fault automobile insurance law, 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.

11:3-15.8 New Jersey Automobile Insurance Consumer Bill of Rights

(a) The insurer shall produce a Consumer Bill of Rights by reproducing the New Jersey Automobile Insurance Consumer Bill of Rights available on the Department's website at <http://www.state.nj.us/dobi/autorights>. The Department shall notify insurers of any changes to the Consumer Bill of Rights by Bulletin. Insurers shall provide the Consumer Bill of Rights, as revised, with new and renewal business 60 days after the date of the Bulletin.

(b) The Consumer Bill of Rights shall be reproduced in the format as presented on the website, duplicating the language provided therein, and to the extent practicable, the layout, fonts, type-point sizes, colors and illustrations. Notwithstanding the foregoing, all language bolded on the Consumer Bill of Rights as depicted on the Department's website shall be bolded and no type-point size less than 10 point shall be used.

(c) The Consumer Bill of Rights shall contain:

1. An overview containing the purpose of the Bill of Rights;
2. The consumer's obligations with regard to their insurance;
3. The duties of the insurer concerning the application process;

4. The consumer's general insurance rights regarding denials and right to purchase;

5. The consumer's right to appeal a cancellation of insurance;

6. Instructions on how to be an educated insurance consumer; and

7. A statement advising the insured or applicant that additional information concerning the Coverage Selection Form and Buyer's Guide is available by contacting the insurer or the producer.

New Rule, R.2004 d.117, effective March 15, 2004.

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

Former N.J.A.C. 11:3-15.8, Penalties, recodified to N.J.A.C. 11:3-15.9.

11:3-15.9 Penalties

Failure to comply with the provisions of this subchapter may result in the imposition of penalties as prescribed by law.

New Rule, 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).

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 Coverage Selection Form must be used and when the changes made thereon become effective.

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

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

In (c), added exception regarding comprehensive and collision.

Repealed 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).

Section was "Use of Coverage Selection Form".

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

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

Recodified from N.J.A.C. 11:3-15.10, 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).

Recodified from N.J.A.C. 11:3-15.11 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).

Recodified from N.J.A.C. 11:3-15.8 R.2004 d.117, effective March 15, 2004.

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

11:3-15.10 (Reserved)

Recodified from N.J.A.C. 11:3-15.9, 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).

Repealed 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).

Section was "Effect on other notice requirements".

11:3-15.11 (Reserved)

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

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

Recodified from N.J.A.C. 11:3-15.10, 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).

Recodified to N.J.A.C. 11:3-15.8 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).

(e) Qualified producers shall not accept multiple applications from the same applicant. The producer shall not submit an application on behalf of an applicant that has applied to the voluntary rating tier within the immediately preceding 30 days.

(f) The PAIP may apportion the number of exposures that may be written among UEZ agents and qualified producers. Such apportionment shall be based on the number of UEZ agents and qualified producers, the number of exposures available to be distributed, and the limit on the number of exposures that may be written through the voluntary rating tier.

(g) The PAIP shall reject and not distribute any risk produced from a UEZ agent or qualified producer that fails to satisfy the requirements of N.J.A.C. 11:3-46.7.

11:3-46.12 PAIP Plan of Operation

(a) The PAIP shall develop any amendments or supplements to the PAIP Plan of Operation as may be necessary or appropriate to provide for the implementation of N.J.A.C. 11:3-46.6, 46.7, 46.8, 46.9, 46.10, and 46.11. Such amendments or supplements shall be subject to review and approval by the Commissioner pursuant to N.J.A.C. 11:3-2.6.

(b) The PAIP governing committee shall submit to the Commissioner, for his or her approval, such amendments and supplements to the Plan of Operation no later than July 1, 1998. If the governing committee does not submit amendments or supplements within the time set forth in (a) above, or amendments or supplements acceptable to the Commissioner within 30 days after disapproval of the proposed changes, the Commissioner may promulgate such amendments or supplements and certify same to the governing committee.

11:3-46.13 Reporting requirements

(a) Each automobile insurer shall report on a quarterly basis its in-force private passenger automobile exposures in UEZs by zip code for the periods ending March 31, June 30, September 30, and December 31. Such reports shall be filed within 10 days of the end of each quarter and shall be in the form set forth in Exhibit C in the Appendix to this subchapter, incorporated herein by reference.

(b) In addition to (a) above, the Commissioner may from time to time order insurers to file in-force exposure data by zip code for all urban areas, regardless of whether those areas are currently designated as UEZs.

(c) Reports filed pursuant to this section shall be confidential and shall not be subject to public inspection or copying pursuant to the "Right-to-Know" law, N.J.S.A. 47:1A-1 et seq.

(d) All reports filed pursuant to this section shall be filed with the Department at the following address:

New Jersey Department of Banking and Insurance
Office of Property and Casualty
PO Box 325
Trenton, NJ 08625-0325

Amended by R.1999 d.218, effective July 19, 1999.
See: 31 N.J.R. 920(a), 31 N.J.R. 1927(a).
In (a), rewrote the last sentence.

11:3-46.14 Penalties

Failure to comply with this subchapter shall result in the imposition of penalties as authorized by law, including, but not limited to, a penalty up to \$1,000 for a first violation, and up to \$2,000 for each subsequent violation, pursuant to N.J.S.A. 17:33-2; and a fine up to \$25,000, or suspension or revocation of an insurer's certification as a qualified insurer, pursuant to N.J.S.A. 17:33C-3c.

APPENDIX

Exhibit A

<u>Zip Code</u>	<u>Town</u>	<u>County</u>	<u>Territory</u>
07302	Jersey City	Hudson	1
07303	Jersey City	Hudson	1
07304	Jersey City	Hudson	1
07305	Jersey City	Hudson	1
07306	Jersey City	Hudson	1
07307	Jersey City	Hudson	1
07309	Jersey City	Hudson	1
07310	Jersey City	Hudson	1
07311	Jersey City	Hudson	1
07047	N. Bergen	Hudson	1
07087	Union City/Weehawken	Hudson	1
07093	West New York/Guttenberg	Hudson	1
07101	Newark	Essex	2
07102	Newark	Essex	2
07103	Newark	Essex	2
07104	Newark	Essex	2
07105	Newark	Essex	2
07106	Newark	Essex	2
07107	Newark	Essex	2
07108	Newark	Essex	2
07112	Newark	Essex	2
07114	Newark	Essex	2
07011	Clifton	Passaic	3
07012	Clifton	Passaic	3
07013	Clifton	Passaic	3
07014	Clifton	Passaic	3
07026	Garfield	Bergen	3
07506	Hawthorne	Passaic	3
07507	Hawthorne	Passaic	3
07424	Little Falls/W. Paterson	Passaic	3
07055	Passaic	Passaic	3
07501	Paterson	Passaic	3
07502	Paterson	Passaic	3
07503	Paterson	Passaic	3
07504	Paterson	Passaic	3
07505	Paterson	Passaic	3
07509	Paterson	Passaic	3
07510	Paterson	Passaic	3
07513	Paterson	Passaic	3
07514	Paterson	Passaic	3
07522	Paterson	Passaic	3
07524	Paterson	Passaic	3

Zip Code	Town	County	Territory
07533	Paterson	Passaic	3
07543	Paterson	Passaic	3
07544	Paterson	Passaic	3
07057	Wallington	Bergen	3
07201	Elizabeth	Union	4
07202	Elizabeth	Union	4
07206	Elizabeth	Union	4
07207	Elizabeth	Union	4
07208	Elizabeth	Union	4
08601	Trenton	Mercer	6
08602	Trenton	Mercer	6
08603	Trenton	Mercer	6
08605	Trenton	Mercer	6
08607	Trenton	Mercer	6
08608	Trenton	Mercer	6
08609	Trenton	Mercer	6
08611	Trenton	Mercer	6
08618	Trenton	Mercer	6
08629	Trenton	Mercer	6
08638	Trenton	Mercer	6
08030	Gloucester	Camden	7
08101	Camden	Camden	7
08102	Camden	Camden	7
08103	Camden	Camden	7
08104	Camden	Camden	7
08105	Camden	Camden	7
08861	Perth Amboy	Middlesex	8
08862	Perth Amboy	Middlesex	8
08401	Atlantic City	Atlantic	19
07109	Belleville	Essex	22
07111	Irvington	Essex	22
07017	E. Orange	Essex	38
07018	E. Orange	Essex	38
07019	E. Orange	Essex	38
07050	Orange City	Essex	38
07051	Orange City	Essex	38
07061	Plainfield	Union	39
07062	Plainfield	Union	39
07063	Plainfield	Union	39
08901	New Brunswick	Middlesex	40
08903	New Brunswick	Middlesex	40
08906	New Brunswick	Middlesex	40

Exhibit B

Calculation of UEZ Shares:

1. In-Force Exposures reported by zip code are combined for individual companies that are part of a group. Also, the in-force exposures reported for individual zip codes are combined for all UEZs.

2. The "Statewide Market Share" for an automobile insurer is calculated by dividing the total number of in-force exposures reported on the quarterly in-force report minus the total number of exposures in UEZs as of September 30 by the total number of in-force exposures in the state.

3. The "Individual UEZ Share" is the number of exposures a company or group should be writing in all UEZs combined. The Individual UEZ Share is calculated by multiplying an automobile insurer's statewide market share times the total number of exposures in all the UEZ's.

4. Each automobile insurer's "Individual UEZ Shortfall" is calculated by subtracting the number of its in-force exposures in all UEZs from its Individual UEZ share. A negative number indicates that the company exceeded its statewide market share in that UEZ.

Example:

To illustrate how these calculations are made, the example below uses two automobile insurers. Group A consists of Company 1 and Company 2. Company B is a single company. Two municipalities, E. Orange and Elizabeth, are used in the example to represent all UEZs. In-Force Exposures Reported to Department

Zip Code	Town	Group A		Group Atotal	Company B
		Company 1	Company 2		
07017	E. Orange	91	7	98	38

Zip Code	Town	Company 1	Company 2	Group Atotal	Company B
07018	E. Orange	39	10	49	24
07019	E. Orange	4	6	10	8
total	E. Orange			157	70
07201	Elizabeth	4	6	10	78
07202	Elizabeth	71	13	84	253
07206	Elizabeth	114	13	127	61
07207	Elizabeth	14	0	14	136
07208	Elizabeth	7	2	9	125
total	Elizabeth			244	653

In-Force Exposures for Individual Zip Code and Insurer Groups Combined

All UEZs	Group A	Company B	Total In-Force Exposures in UEZ
		401	723

Calculation of Statewide Market Share

	Group A	Company B	Total In-Force Exposures in State
	total in-force	242,000	49,000
less UEZs	401	723	
market share	241,599	48,277	
	5.51%	1.10%	

Calculation of Individual UEZ Shares

UEZ share	Group A	Company B
		3,295

Calculation of Individual UEZ Shortfalls

	Group A	Company B
	UEZ in-force	401
UEZ Share	3,295	658
Total Shortfall	2,894	- 65

Exhibit C

UEZ QUARTERLY IN-FORCE EXPOSURE REPORT
REQUIRED BY N.J.A.C. 11:3-4

Company Name _____
 NAIC # _____ Group # _____
 Report for Quarter Ending _____
 199 _____
 Number of Companies Reporting in Group _____
 Name of Contact Person _____
 Telephone/e-mail _____

Zip Code	UEZ	Voluntary	UZAR	Total
		In-Force Exposures	Assigned In-Force Exposures	In-Force Exposures
07011	Clifton			
07012	Clifton			
07013	Clifton			
07014	Clifton			
07017	E. Orange			
07018	E. Orange			
07019	E. Orange			
07026	Garfield			
07047	N. Bergen			
07050	Orange City			
07051	Orange City			
07055	Passaic			
07057	Wallington			
07061	Plainfield			
07062	Plainfield			
07063	Plainfield			
07087	Union City/Weehawken			
07093	West New York/ Guttenberg			
07101	Newark			
07102	Newark			
07103	Newark			
07104	Newark			
07105	Newark			
07106	Newark			

<u>Zip Code</u>	<u>UEZ</u>	<u>Voluntary In-Force Exposures</u>	<u>UZAR Assigned In-Force Exposures</u>	<u>Total In-Force Exposures</u>
07107	Newark			
07108	Newark			
07109	Belleville			
07111	Irvington			
07112	Newark			
07114	Newark			
07201	Elizabeth			
07202	Elizabeth			
07206	Elizabeth			
07207	Elizabeth			
07208	Elizabeth			
07302	Jersey City			
07303	Jersey City			
07304	Jersey City			
07305	Jersey City			
07306	Jersey City			
07307	Jersey City			
07309	Jersey City			
07310	Jersey City			
07311	Jersey City			
07424	Little Falls/W. Paterson			
07501	Paterson			
07502	Paterson			
07503	Paterson			
07504	Paterson			
07505	Paterson			
07506	Hawthorne			
07507	Hawthorne			
07509	Paterson			
07510	Paterson			
07513	Paterson			
07514	Paterson			
07522	Paterson			
07524	Paterson			
07533	Paterson			
07543	Paterson			
07544	Paterson			
08030	Gloucester			
08101	Camden			
08102	Camden			
08103	Camden			
08104	Camden			
08105	Camden			
08401	Atlantic City			
08601	Trenton			
08602	Trenton			
08603	Trenton			
08605	Trenton			
08607	Trenton			
08608	Trenton			
08609	Trenton			
08611	Trenton			
08618	Trenton			
08629	Trenton			
08638	Trenton			
08861	Perth Amboy			
08862	Perth Amboy			
08901	New Brunswick			
08903	New Brunswick			
08906	New Brunswick			
	Total			

Amended by R.1999 d.218, effective July 19, 1999.
See: 31 N.J.R. 920(a), 31 N.J.R. 1927(a).

In Exhibit A, inserted references to the towns of Perth Amboy and Plainfield; and added Exhibit C.

SUBCHAPTER 47. INSURANCE SCENARIOS

Authority

N.J.S.A. 17:1-8.1, 17:1-15e 17:29A-52.

Source and Effective Date

R.2004 d.118, effective March 15, 2004.
See: 35 N.J.R. 4434(a), 36 N.J.R. 1587(a).

11:3-47.1 Purpose and scope

(a) The purpose of this subchapter is to set forth the requirements for the provision by private passenger automobile insurers and insurance producers of insurance scenarios to new applicants and insureds pursuant to N.J.S.A. 17:29A-52.

(b) This subchapter shall apply to all insurers transacting personal private passenger automobile insurance in this State and licensed insurance producers.

(c) The requirements of this subchapter shall not apply to transactions where a new applicant for insurance specifically requests to purchase a basic policy as provided in N.J.S.A. 39:6A-3.1 or a special policy as provided in N.J.S.A. 39:6A-3.3.

(d) This subchapter shall apply to all applications and requests made on or after May 14, 2004.

11:3-47.2 Definitions

The following words and terms, as 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.

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

“Insurer” means an entity authorized or admitted to transact insurance business in this State pursuant to N.J.S.A. 17:17-1 et seq., or 17:32-1 et seq., as applicable. “Insurer” includes the Personal Automobile Insurance Plan established pursuant to N.J.S.A. 17:29D-1 et seq. and N.J.A.C. 11:3-2.

“Insurance producer” means a person licensed under the laws of this State to sell, solicit or negotiate insurance.

“Personal private passenger automobile insurance” means direct insurance on automobiles as defined in N.J.S.A. 39:6A-2.

11:3-47.3 Insurance scenarios

(a) Pursuant to N.J.S.A. 17:29A-52, insurers and insurance producers shall provide insurance scenarios in accordance with this subchapter.

1. Every insurer writing private passenger automobile insurance in this State as a direct writer or through insurance producers employed by that insurer or retained to represent that insurer exclusively shall provide each new applicant seeking automobile insurance, and each

insured upon request, with a document or documents that describe at least three insurance scenarios demonstrating the effect of different coverage choices. For new applicants, the insurance scenarios shall be provided in connection with a premium quotation or application and prior to execution of the Coverage Selection Form required by N.J.A.C. 11:3-15. For existing insureds, the insurance scenarios shall be provided upon request. The types of coverage to be utilized in providing the scenarios shall be as set forth in this section.

2. Every insurance producer that is not employed by an insurer or retained to represent one insurer exclusively (that is, an independent insurance producer) shall provide each new applicant seeking automobile insurance, and each insured upon request, with a document or documents that describe at least three insurance scenarios as set forth in (a)1 above. An independent insurance producer shall provide a minimum of three insurance scenarios under this rule irrespective of the number of insurers it may represent. Nothing in this subchapter is intended to affect or modify the duties of an independent insurance producer with respect to any obligations he or she may owe to one or more insurers as a result of any agency relationship or contract with an insurer.

3. For purposes of this rule, "new applicant" shall not include a person who is replacing a vehicle already insured under the policy; adding a vehicle to the policy; or whose policy is being replaced by the insurer or an affiliated insurer to cover the existing insured vehicles, replacement vehicles or added vehicles, provided that the rating system of the affiliated insurer is identical to that of the insurer which originally issued the policy.

(b) Coverage limits included in each insurance scenario shall meet the minimum limits of coverage as required by law, and may be modified as required to satisfy coverage requirements for leased or financed vehicles for which coverage is sought. Insurance scenarios shall reflect the approximate cost of purchasing such limits of coverage, and shall not be deemed to be binding quotes.

(c) The three insurance scenarios shall be as follows:

1. Scenario 1 shall reflect choices of Bodily Injury Liability coverage under N.J.S.A. 39:6A-3, for example, the basic policy established by N.J.S.A. 39:6A-3.1; the limitation on lawsuit and no limitation on lawsuit options pursuant to N.J.S.A. 39:6A-8; and policy limits options, including options on uninsured and underinsured motorist coverage;

2. Scenario 2 shall reflect choices related to the Personal Injury Protection coverage under N.J.S.A. 39:6A-4, for example, the medical coverage only option; the health-care primary options; and policy limits options; and

3. Scenario 3 shall reflect choices related to Physical Damage coverage options, for example, the option not to purchase Physical Damage coverage; various deductible options; and the named driver exclusion option.

(d) The insurance scenarios provided may contain the following statement: "Insurance scenarios are intended to further educate consumers about the choices available to them, are not binding quotes, and do not necessarily represent the recommendations of the producer or insurer."

(e) An insurer or producer shall satisfy the requirements of this subchapter by either:

1. Providing the applicant or insured with three applicable generic insurance scenarios, as set forth in (c) above, from among a selection of scenarios. The scenarios provided shall reflect coverage choices that correspond to the general circumstances of certain kinds of applicants, for example, three that are applicable to families; three that are applicable to single drivers; or three that are applicable to senior citizens, or three that are applicable to households with one, two or three or more drivers, or with one, two or three or more vehicles to be insured. The premium amounts associated with each scenario may be expressed either in an approximate dollar amount or as a percentage difference;

2. Providing the applicant or insured with three insurance scenarios, as set forth in (c) above, which are produced by an electronic data system based upon the individual characteristics and circumstances of the applicant or insured as indicated in information they provide to the insurer or producer. The premium amounts associated with each scenario may be expressed either in an approximate dollar amount or as a percentage difference; or

3. Providing the applicant or insured with three insurance scenarios, as set forth in (c) above, on a document developed by the Department and available on the Department's website, www.njdoib.org, and entering appropriate premium amounts where indicated.

(f) The document developed by the Department may be revised from time to time in order to reflect current market conditions, prevalent consumer choices and the cost-saving features of particular coverage options. The Department shall notify insurers and producers of any changes to its document by Bulletin, which also will be posted on the Department website.

(g) Nothing in this subchapter shall be deemed to prevent an insurer or producer from offering additional insurance scenarios to consumers as the insurer or producer deems appropriate.

11:3-47.4 Penalties

Failure to comply with this subchapter shall result in the imposition of penalties as authorized by law, including, but not limited to, penalties authorized pursuant to N.J.S.A. 17:33-2.