

AUTOMOBILE INSURANCE

- 11:3-15.7 Use of coverage selection form; availability
- 11:3-15.8 New Jersey Automobile Insurance Consumer Bill of Rights
- 11:3-15.9 Penalties
- 11:3-15.10 through 11:3-15.11 (Reserved)

APPENDIX

EXHIBIT 1 STANDARD POLICY COVERAGE SELECTION FORM

EXHIBIT 2 BASIC POLICY COVERAGE SELECTION FORM

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

- 11:3-16.1 Purpose and scope
- 11:3-16.2 Definitions
- 11:3-16.3 General requirements and filing format
- 11:3-16.4 Insurer informational filings due July 1 of each year
- 11:3-16.5 (Reserved)
- 11:3-16.6 Filings for rates requiring prior approval
- 11:3-16.7 (Reserved)
- 11:3-16.8 Premiums, loss costs, loss and loss adjustment expense data
- 11:3-16.9 Data requirements for expense provisions
- 11:3-16.10 Profit and contingency provision
- 11:3-16.11 Incomplete filings and further proceedings
- 11:3-16.12 Voluntary written exposure and primary classification data
- 11:3-16.13 Prospective loss cost filing requirements for insurers
- 11:3-16.14 through 11:3-16.16 (Reserved)

APPENDIX

EXHIBIT A PRIOR APPROVAL FILINGS

EXHIBIT B DEVIATION APPLICATION FORM

EXHIBIT C WORKSHEET TO DETERMINE NO LIMITATION ON LAWSUIT PREMIUM

EXHIBIT D NEW JERSEY INSURER RATE FILING

EXHIBIT E MARKETING METHODS FOR THE LARGEST PRIVATE PASSENGER AUTO INSURER GROUPS IN NEW JERSEY

EXHIBIT F-K (RESERVED)

SUBCHAPTER 16A. PRIVATE PASSENGER AUTOMOBILE INSURANCE TERRITORIAL RATING PLANS

- 11:3-16A.1 Purpose and scope
- 11:3-16A.2 Definitions
- 11:3-16A.3 General requirements
- 11:3-16A.4 Standards for establishment of territories
- 11:3-16A.5 Territorial rating plan filing requirements
- 11:3-16A.6 Review of filings
- 11:3-16A.7 Territorial rating plan review
- 11:3-16A.8 Objection to filings
- 11:3-16A.9 Transition requirements
- 11:3-16A.10 Penalties

SUBCHAPTER 16B. RATE PROCESS FOR LIMITED RATE CHANGES; CALCULATIONS FOR PRIVATE PASSENGER AUTOMOBILE INSURANCE RATE CHANGES

- 11:3-16B.1 Purpose and scope
- 11:3-16B.2 Definitions
- 11:3-16B.3 Rate process for limited rate changes; insurers and rating organizations
- 11:3-16B.4 Rate process for limited rate changes; calculation for private passenger automobile insurance

- 11:3-16B.5 Limitation on filer's rate request
- 11:3-16B.6 Review; general principles; action

APPENDIX

SUBCHAPTER 17. (RESERVED)

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

- 11:3-18.1 Purpose and scope
- 11:3-18.2 Definitions
- 11:3-18.3 General provisions applicable to all filings
- 11:3-18.4 Procedures for review of prior approval filings
- 11:3-18.5 through 11:3-18.6 (Reserved)
- 11:3-18.7 Other remedies preserved

SUBCHAPTER 19. (RESERVED)

SUBCHAPTER 19A. TIER RATING PLANS AND UNDERWRITING RULES

- 11:3-19A.1 Purpose and scope
- 11:3-19A.2 Definitions
- 11:3-19A.3 General provisions
- 11:3-19A.4 Filing requirements for tier rating plans
- 11:3-19A.5 Standards of approval, disapproval or modification of underwriting rules and tier ratings plans
- 11:3-19A.6 Policy renewals and notice to insureds
- 11:3-19A.7 Underwriting rules for eligible persons
- 11:3-19A.8 Penalties
- 11:3-19A.9 (Reserved)

APPENDIX

SUBCHAPTER 20. REPORTING FINANCIAL DISCLOSURE AND EXCESS PROFITS

- 11:3-20.1 Purpose
- 11:3-20.2 Scope
- 11:3-20.3 Definitions
- 11:3-20.4 General reporting requirements
- 11:3-20.5 Excess profit report
- 11:3-20.6 Reporting requirements for insurance holding company systems
- 11:3-20.7 Determination of an excess profit
- 11:3-20.8 Refund or credit of an excess profit
- 11:3-20.9 Excess profit, extraordinary loss, carry forwards
- 11:3-20.10 Order for further information
- 11:3-20.11 Supplemental filings
- 11:3-20.12 (Reserved)
- 11:3-20.13 Penalties

APPENDIX EXCESS PROFIT EXHIBITS—INSTRUCTIONS

SUBCHAPTER 20A. (RESERVED)

SUBCHAPTER 21. PERSONAL INJURY PROTECTION COVERAGE REDUCED PIP PREMIUM CHARGE FOR ADDITIONAL AUTOS IN ONE-DRIVER HOUSEHOLDS

- 11:3-21.1 Purpose
- 11:3-21.2 Reduction of PIP premium
- 11:3-21.3 Automobiles eligible for premium reduction
- 11:3-21.4 Filing and statistical requirements

SUBCHAPTER 22. COVERAGE OPTION SURVEY PERSONAL INJURY PROTECTION AND TORT THRESHOLD OPTIONS

- 11:3-22.1 Purpose
- 11:3-22.2 Scope
- 11:3-22.3 Coverage option survey requirements

SUBCHAPTER 23. (RESERVED)

SUBCHAPTER 24. DEFENSIVE DRIVING RATE REDUCTIONS

- 11:3-24.1 Purpose and scope
- 11:3-24.2 Definitions
- 11:3-24.3 Rate reduction filing requirements
- 11:3-24.4 Application of defensive driving rate reduction
- 11:3-24.5 Procedure to obtain rate reduction
- 11:3-24.6 Penalties

SUBCHAPTER 25. PRIVATE PASSENGER AUTOMOBILE INSURANCE; NOTIFICATION BY TREATING HEALTH CARE PROVIDERS

- 11:3-25.1 Purpose and scope
- 11:3-25.2 Definitions
- 11:3-25.3 Notification of commencement of treatment
- 11:3-25.4 Content of notice and proof of receipt
- 11:3-25.5 Late notification
- 11:3-25.6 Standards for adjustment of reduction
- 11:3-25.7 Responsibility for payment
- 11:3-25.8 Procedure for appeals
- 11:3-25.9 Reporting requirement
- 11:3-25.10 Compliance

APPENDIX A NOTIFICATION OF COMMENCEMENT OF MEDICAL TREATMENT

APPENDIX B ADDRESS FOR NOTIFICATION OF COMMENCEMENT OF MEDICAL TREATMENT

SUBCHAPTER 26. UNSATISFIED CLAIM AND JUDGMENT FUND: NOTICE OF INTENT

- 11:3-26.1 Claim information
- 11:3-26.2 Claim filing; form

APPENDIX A

SUBCHAPTER 27. UNSATISFIED CLAIM AND JUDGMENT FUND BOARD

- 11:3-27.1 Uninsured's current financial status

SUBCHAPTER 28. UNSATISFIED CLAIM AND JUDGMENT FUND'S REIMBURSEMENT OF EXCESS MEDICAL EXPENSE BENEFITS PAID BY INSURERS

- 11:3-28.1 Purpose and scope
- 11:3-28.2 Definitions
- 11:3-28.3 Report of claims when the carrier has paid at least \$50,000 for medical expense benefits
- 11:3-28.4 Notice of change in the amount of reserves
- 11:3-28.5 Supplemental forms to be submitted to the Fund
- 11:3-28.6 Insurer's continuing obligation to investigate claims
- 11:3-28.7 Reimbursement of excess medical expense benefits paid by insurers
- 11:3-28.8 Audits
- 11:3-28.9 Reporting of losses for personal injury protection payments in excess of \$75,000
- 11:3-28.10 Insurers' obligations to investigate and audit bills for medical benefits
- 11:3-28.11 Modifications to vehicles
- 11:3-28.12 Modifications to a claimant's residence
- 11:3-28.13 Insurer's obligation to obtain recovery of payments for paid medical expense benefit claims
- 11:3-28.14 Insurer's responsibility upon assignment of an uninsured motorist claim
- 11:3-28.15 through 11:3-28.17 (Reserved)

APPENDIX A FORMS; PAYMENT RECORD; QUESTIONNAIRE

APPENDIX B AMORTIZATION FORMULA

APPENDIX C UNSATISFIED CLAIM AND JUDGMENT FUND RECOVERY CERTIFICATION

SUBCHAPTER 28A. (RESERVED)

SUBCHAPTER 29. MEDICAL FEE SCHEDULES: AUTOMOBILE INSURANCE PERSONAL INJURY PROTECTION AND MOTOR BUS MEDICAL EXPENSE INSURANCE COVERAGE

- 11:3-29.1 Purpose and scope
- 11:3-29.2 Definitions
- 11:3-29.3 Regions
- 11:3-29.4 Application of medical fee schedules
- 11:3-29.5 Balance billing prohibited
- 11:3-29.6 (Reserved)

APPENDIX

SUBCHAPTER 30. MOTOR VEHICLE SELF-INSURANCE

- 11:3-30.1 Purpose
- 11:3-30.2 Scope
- 11:3-30.3 Definitions
- 11:3-30.4 General requirements
- 11:3-30.5 Certificate of self-insurance
- 11:3-30.6 Renewals
- 11:3-30.7 Surety bond requirement
- 11:3-30.8 Audits and examinations
- 11:3-30.9 Public entities
- 11:3-30.10 Cancellation of certificate of self-insurance

SUBCHAPTER 31. (RESERVED)

SUBCHAPTER 32. CERTIFICATION OF COMPLIANCE: MANDATORY LIABILITY COVERAGES

- 11:3-32.1 Purpose and scope
- 11:3-32.2 Definitions
- 11:3-32.3 Certification compliance requirements
- 11:3-32.4 Requests for copies of certifications

SUBCHAPTER 33. APPEALS FROM DENIAL OF AUTOMOBILE INSURANCE

- 11:3-33.1 Purpose; scope
- 11:3-33.2 Definitions
- 11:3-33.3 Right to appeal
- 11:3-33.4 Duties of insurer or insurance agent
- 11:3-33.5 Procedure for filing an appeal
- 11:3-33.6 Processing appeals
- 11:3-33.7 Contested case hearings; pleadings
- 11:3-33.8 Penalties
- 11:3-33.9 Compliance

APPENDIX A

APPENDIX B

SUBCHAPTER 34. ELIGIBLE PERSONS QUALIFICATIONS AND AUTOMOBILE INSURANCE ELIGIBILITY POINTS SCHEDULE

- 11:3-34.1 Purpose
- 11:3-34.2 Scope
- 11:3-34.3 Definitions
- 11:3-34.4 Eligible person qualifications
- 11:3-34.5 Automobile insurance eligibility points

APPENDIX SCHEDULE OF AUTOMOBILE INSURANCE ELIGIBILITY POINTS

SUBCHAPTER 35. PRIVATE PASSENGER AUTOMOBILE INSURANCE UNDERWRITING RULES

- 11:3-35.1 Purpose and scope

SUBCHAPTER 16A. PRIVATE PASSENGER
AUTOMOBILE INSURANCE TERRITORIAL
RATING PLANS

11:3-16A.1 Purpose and scope

(a) This subchapter sets forth the standards and requirements for the establishment of territory maps by insurers, rating organizations, and the Automobile Insurance Territorial Rating Plan Advisory Commission, pursuant to N.J.S.A. 17:29A-48 et seq. and 17:29A-36, and for the amendments to rating plans by insurers and rating organizations.

(b) This subchapter applies to all insurers that are licensed and authorized to transact personal private passenger automobile insurance in the voluntary market, rating organizations and the Automobile Insurance Territorial Rating Plan Advisory Commission.

11:3-16A.2 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 a private passenger automobile insurance policy issued in accordance with N.J.S.A. 39:6A-3.1 and N.J.A.C. 11:3-3.

“Commission” means the Automobile Insurance Territorial Rating Plan Advisory Commission established pursuant to N.J.S.A. 17:29A-50.

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

“Common territory map” means the territory map filed by the Commission and approved by the Commissioner or, where no map filed by the Commission is approved, a substitute map certified by the Commissioner.

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

“Exposure” means one car insured for property damage liability coverage in a Basic or Standard policy for a period of 12 months.

“Filer” means a rating organization or any insurer making its own rates.

“Insurer” means an entity or affiliated group of entities authorized or admitted to transact personal private passenger automobile insurance business in this State.

“PAIP” means the New Jersey Personal Automobile Insurance Plan established in accordance with N.J.S.A. 17:29D-1 et seq.

“PIP coverage” means personal injury protection coverage as described in N.J.S.A. 39:6A-4 or 39:6A-3.1.

“Rating organization” means an entity licensed as a rating organization pursuant to N.J.S.A. 17:29A-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-4.

“State border” means the land or water border between New Jersey and New York State, Pennsylvania, Delaware, the Atlantic Ocean, Raritan Bay or Delaware Bay.

“Territory map” means a list of territories defined by zip code and a representation of the territories on a map of New Jersey pursuant to N.J.A.C. 11:3-16A.4(a).

11:3-16A.3 General requirements

(a) Every insurer, including the PAIP, shall have an approved territorial rating plan, which shall include a territory map, territorial relativity factors and territorial base rates that are in accordance with the provisions of N.J.S.A. 17:29A-48 et seq. and 17:29A-36, and this subchapter.

1. Insurers shall use the same territory map for basic and standard policies.

(b) The territory map in the insurer’s territorial rating plan shall be one of the following:

1. The common territory map;
2. The territory map approved by the Commissioner for the rating organization of which the insurer is a member; or
3. An individual territorial plan developed by the insurer and approved by the Commissioner in accordance with this subchapter.

11:3-16A.4 Standards for establishment of territories

(a) A territory shall be a geographic area of the State defined by contiguous zip codes, that follow municipal boundaries as closely as possible. If a zip code crosses a municipal boundary that forms a territorial boundary, the filer shall place the zip code entirely in one territory. Filers shall report statistical data by zip code.

(b) Each territory shall border on at least two other territories, or one territory and a State border.

(c) In establishing the common territory map, the Commission shall use data representing the largest available compilation from insurers. A rating organization that files a territory map shall use the combined data of its subscribers. An insurer filing its own territory map shall use its own data, or other relevant industry data that may be available for its use, or any combination of the two. The territory map filing shall include an explanation of any adjustments or weighting of the raw data used.

(d) In order to create an equitable distribution of exposures throughout the State, each territory shall be comprised of no

less than 20,000 exposures for one year. The exposure count shall be based on data used by the Commission to determine the common territory map. The maximum number of territories in any territorial map shall not exceed 50 territories.

(e) No territorial rating plan shall result in territories that are arbitrary, unfairly discriminatory, or created in a manner that is primarily for marketing purposes rather than measuring relativity of exposure to probable loss, or created in a manner that can be used to avoid the filer's obligations under N.J.S.A. 17:33B-15.

11:3-16A.5 Territorial rating plan filing requirements

(a) An insurer's filing shall indicate which of the maps permitted by N.J.A.C. 11:3-16A.3(b) it intends to use. The filing shall be submitted on 3 1/2 inch diskette, zip disk or CD, and in hard copy.

(b) Filers shall provide the following New Jersey direct data by coverage and by zip code for basic and standard policies:

1. Not less than three-year:

i. Basic or total limits incurred losses, net of subrogation and other recoveries. Total limits losses may include PIP losses subject to reimbursement pursuant to N.J.S.A. 17:30A-8a(11);

ii. Paid or incurred allocated loss expenses;

iii. Earned exposures;

iv. Incurred claims; and

v. Average rating factors (for filers submitting on a pure premium methodology);

2. The most recent year's on-level earned premium;
3. The most recent year's in-force exposures;
4. The current base rates;
5. Indicated base rates by territory; and
6. Proposed base rates by territory.

(c) An insurer that uses the common territory map and relativities or the approved territory map of a rating organization and its relativities is only required to file the items in (b)2 through 4 and (b)6 above to demonstrate the rate neutrality.

(d) The Commissioner may request any additional information that may be necessary to evaluate the territorial plan filing.

(e) For filers submitting based on a pure premium methodology, the indicated territorial relativity from a filer's own historical data shall be adjusted to take into account any differences in the distribution of business between territories that is already reflected in other rating variables. This can be done by dividing the historical incurred losses in (b)1i above by the average rating factor in (b)1v above by zip code by year. Average factors in (b)1v above shall, if using basic limits data, include all rating factors combined other than territory and increased limits factors, and shall, if using total limits data, include all rating factors other than territory.

(f) The credibility of the filer's data shall be based upon a full credibility standard of 3,000 claims by territory. Partial credibility by territory shall be calculated based upon the square root of the filer's number of claims by territory divided by the full credibility standard.

(g) To the extent that the filer's own historical experience by territory is less than 100 percent credible, the filer shall weight the territorial indexes from its own experience with an alternate territorial index.

1. If the filer uses the common territory map, then the alternate index shall consist of the territorial rate relativities filed by the Commission and approved by the Commissioner.

2. If the filer uses a territory map approved for a rating organization, the alternate index shall be that of the members of the rating organization.

3. If an insurer files its own territory map, then the alternate index shall consist of either the prior average indicated or approved relativity applicable to the filer, or the indicated or approved relativities based on relevant industry data that may be available for its use for the zip codes making up the proposed territory, with the relativities weighted together by the latest year of exposures in each zip code by coverage.

(h) Pursuant to N.J.S.A. 17:29A-48(e), territories created in accordance with this subchapter shall not result in disproportionate differences in territorial relativity factors between contiguous territories with similar driving environments or mix of driving environments.

(i) Pursuant to N.J.S.A. 17:29A-36, the initial territorial relativity for any territory shall not be significantly disproportionate to the current relativity for that territory. For the purposes of this subchapter, the current relativity means the relativity that is in effect on the date of the initial filing pursuant to this subchapter. The current relativity shall be calculated for each zip code and compared with the indicated or selected relativity in accordance with (h) above for the territory in which the zip code is now located. The territorial relativity for a zip code shall be based on a Statewide average relativity of 1.000.

(j) Insurers shall not be required to make separate filings of basic policy data. However, filings made in accordance with this subsection shall comply with the provisions of N.J.S.A. 17:29A-36a concerning the basic policy.

11:3-16A.6 Review of filings

(a) All filings and other items submitted to the Commissioner pursuant to this subchapter shall be sent to the Department at the following address:

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

(b) The time periods for the Department's review of territorial rating plan filings made pursuant to this subchapter are as set forth below:

1. Sixty days for insurers that use the common territory map, the territory map approved for a rating organization or a map that modifies either the common territory or rating organization map, as provided in N.J.A.C. 11:3-16A.3(b)3. For good cause, the Department may extend the review period for 30 days.

2. Ninety days for filers that are filing their own territory map. For good cause, the Department may extend the review period for a reasonable time, not to exceed 45 days.

(c) If the filing is incomplete, the Department shall so advise the filer not later than 20 business days after the receipt of the filing. If the Department does not advise the filer that the filing is incomplete, it shall be deemed to be complete on the 20th business day after receipt.

1. Notice to the filer that the filing is incomplete shall specify the missing item(s) or information. The notice shall advise the filer that a new 20-day time period for the Department's completeness review of the filing starts again

upon receipt by the Department of the information intended to cure the deficiency.

2. If the Department requests further information from the filer pursuant to N.J.A.C. 11:3-16A.5(c), the time frame for the Department's review of the filing is tolled until the information is received.

3. A determination by the Department that a filing is complete relates solely to the inclusion in the filing of the items requested by N.J.A.C. 11:3-16A.5 and shall not be considered a finding regarding the accuracy or reasonableness of the information or calculations.

(d) The Department shall not approve any filing that does not comply with N.J.S.A. 17:29A-48 et seq. and 17:29A-36 and this subchapter.

11:3-16A.7 Territorial rating plan review

(a) Each filer shall periodically review, no less frequently than once every five years, the continued validity of its territorial rating plan and report its findings in a format to be established by the Commissioner by Order.

(b) The Commissioner shall convene the Commission to review the continued validity of the common territory map at least once every five years.

11:3-16A.8 Objection to filings

(a) Any filer may object to an approved filing made in accordance with this subchapter on the grounds that it:

1. Is anti-competitive;
2. Does not meet the standards established in N.J.S.A. 17:29A-48 and this subchapter; or
3. Results in the filer not meeting its obligations pursuant to N.J.S.A. 17:33B-15.

(b) The filer shall have the burden of proof in making an objection to an approved filing.

(c) Any objection to an approved filing shall be in writing with all supporting materials. Two copies shall be sent to the Department at the address for filings set forth at N.J.A.C. 11:3-16A.6(a).

(d) The Department will review the objection and may ask for additional information from the filer making the objection. The Department may also ask for a response to the objection from the filer against whom the objection was made.

(e) The Department shall respond to the objection within 90 days of receipt of all information from the filer.

11:3-16A.9 Transition requirements

(a) The Commission shall file a territory map in accordance with N.J.A.C. 11:3-16A.4 and territorial relativities in

accordance with N.J.A.C. 11:3-16A.5 for the Commissioner's approval.

1. The Commissioner shall approve or disapprove the filing within 30 days. If the Commissioner disapproves all or any part of the Commission's filing, it shall be returned with recommendations. The Commission may accept the recommendations of the Commissioner or may propose a new territory map within 30 days after the return of a disapproved map. If the Commission does not file a map acceptable to the Commissioner within 30 days of the disapproval of the original map, the Commissioner shall certify his or her own map.

(b) If a rating organization intends to file a territory map and relativities, the filing shall be made no later than 60 days after the Commissioner's approval or certification of the common territory map. For good cause shown, the rating organization may request an extension of the filing deadline.

(c) No later than 180 days after the Commissioner's approval or certification of the common territory map, every insurer, including the PAIP, shall file a territory map, territorial relativities and amendments to its rating plan that meet the requirements of this subchapter. For good cause shown, an insurer or the PAIP may request an extension of the filing deadline.

1. If an insurer that intends to use its own territorial map fails to make an acceptable filing, the Commissioner may by Order require it to use the common territory map.

2. The insurer shall demonstrate that the initial filing is revenue neutral by coverage in accordance with N.J.S.A. 17:29A-36d.

3. The PAIP shall use the common territory map and the relativities developed by the Commission.

11:3-16A.10 Penalties

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

SUBCHAPTER 16B. RATE PROCESS FOR LIMITED RATE CHANGES; CALCULATIONS FOR PRIVATE PASSENGER AUTOMOBILE INSURANCE RATE CHANGES

11:3-16B.1 Purpose and scope

(a) The purpose of this subchapter is to set forth the process for a private passenger automobile insurer or rating organization to file limited rate changes to its rating system as permitted by N.J.S.A. 17:29A-46.6.

(b) This subchapter shall also apply to rates filed by: