



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
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HOLLY C. BAKKE
Commissioner

BULLETIN NO. 03-33

TO: All Private Passenger Automobile Insurers Authorized or Admitted in this State

FROM: Holly C. Bakke, Commissioner

RE: Incorrect Rates Resulting from the Use of Mailing Address Rather than
Garage Location

It has come to the attention of the Department of Banking and Insurance ("Department") that some private passenger automobile insurers are still incorrectly rating insureds. In these situations, the mailing address used to determine the insured's rating territory does not coincide with the location where the automobile is garaged and the appropriate territorial definitions. A certain area of Bordentown has recently been identified as changing zip codes from 08505 (Bordentown) to 08515 (Crosswicks). Although insureds in this area have been assigned new zip codes, their locations at which their vehicles are garaged have not changed, and the revised mailing address should not subject the insureds to unjustified rates.

This is the third such advisory issued by the Department to private passenger automobile insurers since 1983. By Circular Letter No. 66, dated August 16, 1983, and Bulletin No. 00-02 dated February 23, 2000, the Department notified all private passenger automobile insurers that ratings in all areas where mailing addresses may not coincide with the actual garage location of the automobile the territory definition should be checked. Where corrections are necessary, a refund or credit must be issued. Based on complaints recently received by the Department, it appears that some insurers have not successfully identified those areas where such rating discrepancies would arise in their rating process and system.

The Department will be evaluating how insurers have addressed this matter as part of its market conduct examinations.

12/4/03
Date

/s/ Holly C. Bakke
Holly C. Bakke
Commissioner