

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE SUBMISSION OF)
2 PERCENT AND 2 FOR 1 NONRENEWAL) ORDER
REPORTS FROM PRIVATE)
PASSENGER AUTOMOBILE INSURERS)

This matter having come before the Commissioner of the Department of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 39:6A-23.1, 17:29C-1 et seq., 17:33B-15; and N.J.A.C. 11:3-8 and all of the powers expressed or implied therein for the purpose of assisting consumers in obtaining private passenger automobile insurance coverage; and

IT APPEARING that each year private passenger automobile insurers nonrenew a portion of their insureds based upon the authority granted in N.J.S.A. 17:29C-7.1b and 7.1c; and

IT FURTHER APPEARING that in accordance with N.J.A.C. 11:3-8.3(f), insureds must be notified at least 60 days prior to expiration that their policies will not be renewed; and

IT FURTHER APPEARING that many nonrenewed insureds have been insured by the same insurer for many years, have not been required to seek new coverage in the market for many years, and are unfamiliar with current rules and market conditions that will affect their ability to obtain replacement coverage on a timely basis so as to avoid a lapse in coverage; and

IT FURTHER APPEARING that N.J.A.C. 11:3-8.8 requires insurance companies to maintain records of all nonrenewals of private passenger automobile insurance policies for not less than five years, including data concerning the allowable number of policy nonrenewals in

each territory computed in accordance with N.J.A.C. 11:3-8.5(a)2, and data concerning the actual number of newly insured automobiles and vehicle nonrenewals in each territory for each category, computed in accordance with N.J.A.C. 11:3-8.5(a)3, and to make the said records available to the Department upon request; and

IT FURTHER APPEARING that the Commissioner has determined that, in order to ensure that insureds are being nonrenewed in accordance with the requirements of N.J.S.A. 17:29C-1 et seq. and N.J.A.C. 11:3-8, it is necessary to request that insurers submit nonrenewal data reports in accordance with N.J.A.C. 11:3-8.8 for calendar years 2001 and 2002 to the Department; now therefore

IT IS on this 13th day of January, 2003

ORDERED that:

1. All private passenger automobile insurers shall complete the spread sheets attached to this Order and made a part hereof and submit them by February 13, 2003 to:

Department of Banking and Insurance
Consumer Protection Services
20 West State Street
P.O. Box 329
Trenton, NJ 08625-0325
Fax: (609)-292-5337

OR

Via E-mail to: anarcini@dobi.state.nj.us ; and

2. Failure to comply with the terms of this Order may result in penalties in accordance with N.J.A.C. 11:3-8.10.

1/13/03
Date

DHT03-01/INOORD

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