

**BULLETIN NO. 03-01**

**To: ALL INSURERS TRANSACTING PRIVATE PASSENGER  
AUTOMOBILE INSURANCE IN THIS STATE**

**From: HOLLY C. BAKKE, COMMISSIONER**

**Re: CURRENT MARKET CONDITIONS AND THE TIME PERIOD  
FOR NOTIFYING POLICYHOLDERS OF NON-RENEWAL**

This Bulletin provides information and guidance to private passenger automobile insurers with respect to non-renewal notifications under current market conditions.

N.J.A.C. 11:3-8.3(f) requires auto policyholder notification of non-renewal at least 60 days but no more than 90 days in advance of the policy expiration date. The Department is aware that many private passenger auto insurers in the State generally provide such notification on or soon before the 60<sup>th</sup> day prior to the expiration date. The Department believes, however, that a 60-day notification period, while permissible, may be insufficient in the current market for some non-renewed policyholders to assess their various options with respect to coverages and insurance companies, and then secure an appropriate new policy. Coverage availability has shrunk in the previous 18-24 months and may continue to shrink in the coming months due to the overall constriction of the market. In addition, the Department has been receiving an unusual and increasing number of consumer complaints regarding difficulties in reaching producers, obtaining quotes and securing coverage. While the Department is also aware that many private passenger auto insurers have established automated or semi-automated notification systems, and that changes to these systems may be time-consuming, the Department requests the assistance of insurers to the extent practicable in providing a longer notification period consistent with N.J.A.C. 11:3-8.3(f). Specifically, the Department requests:

1. To the extent feasible, auto policyholder notification of non-renewal at least 70 days prior to the policy expiration date.
2. That insurers communicate to customers directly and/or through producers the importance of seeking coverage as soon as possible because of current market conditions, as well as the importance of meeting the legal requirement to maintain coverage.
3. That insurers and producers be reminded that this Bulletin in no way lessens or otherwise impacts the statutory and regulatory obligations of insurers and producers with respect to notifications, non-renewals or any other obligation.

The Department will continue to monitor the marketplace to assess the availability of automobile insurance and the compliance of insurers and producers with all applicable statutes and regulations. The provisions of this Bulletin shall remain in effect until further notice from the Commissioner.

1/24/03  
Date

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