

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST OF)
CERTAIN INFORMATION FROM)
PERSONAL LINES PRIVATE) ORDER
PASSENGER AUTOMOBILE INSURERS)
TO ASSESS MARKET CONDITIONS)

This order has been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-15, 17:33B-15, 17:33B-18, and 17:29A-46.1 et seq., N.J.A.C. 11:3-44, and all powers expressed or implied therein; and

IT APPEARING that insurers transacting private passenger automobile insurance in this State are required to provide coverage to all “eligible persons” as that term is defined in N.J.S.A. 17:33B-13 and N.J.A.C. 11:3-34; and

IT FURTHER APPEARING that N.J.A.C. 11:3-44 provides that insurers shall have five business days from the date of receipt of a completed written application of insurance to either provide or decline insurance, or if requested, to notify the applicant whether coverage will be provided or denied; and

IT FURTHER APPEARING that pursuant to Order No. A01-120, issued April 6, 2001, and extended by Order No. A01-170, State Farm Indemnity Company (“SFI”) was granted relief from its obligations to issue new coverage to eligible persons, accept assigned risks, and meet Urban Enterprise Zone quotas; and that pursuant to the Market Stabilization Order A02-123,

issued June 25, 2002, SFI began non-renewing a limited portion of its existing New Jersey voluntary private passenger automobile insurance business over a period of 24 months; and

IT FURTHER APPEARING that the Department established a Market Assistance Procedure pursuant to Order No. A02-132 for insureds non-renewed by SFI, and

IT FURTHER APPEARING that as a result of current market conditions, private passenger automobile insurers may be experiencing a significant increase in the number of new business applications from individuals previously insured by SFI, thus potentially affecting insurers' resources and abilities to timely respond to application requests and provide appropriate customer service; and

IT FURTHER APPEARING that in order to properly assess current market conditions and determine whether any measures may be necessary in order to ensure that applicants for private passenger automobile insurance are afforded decisions on their applications in a timely manner, the Department has determined it is necessary and appropriate to require private passenger automobile insurers to complete the survey set forth in Appendix A to this Order, attached hereto and made a part hereof.

Therefore it is on this 10th day of March, 2003 ORDERED that all insurers authorized to transact private passenger automobile insurance in this State shall complete and file with the Department within 7 days of the date of this Order the information requested in the survey set forth in Appendix A to this Order, attached hereto and made a part hereof.

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

/s/ Donald Bryan
Donald Bryan
Acting Commissioner

Appendix A
 MARKET CONDITION SURVEY

Instructions: Complete a separate questionnaire for each company in the group that writes personal lines private passenger automobile insurance in NJ. An individual company that acquires business both directly and through producers should complete a separate questionnaire for each type of new business acquisition. Responses should be emailed to: Cliff Day (cday@dobi.state.nj.us)

NAIC Group #	00000
NAIC Company #	00000
Group Name	
Company Name	
Distribution Method: <small>Ind. Agent; Captive Agent; Dir. Writer</small>	
Contact Person's Name:	
Contact Person's Title:	
Contact Person's Telephone:	
Contact Person's E-Mail:	

1. Describe, in the form of a flow chart or timeline, the specific process used by the company to issue an automobile insurance policy from request for an application to issuance of the policy form. Indicate at what stages the applicant may be asked for additional information. Also indicate on the flow chart or timeline, the point in the process at which the company has a completed application.
2. Using the flow chart or timeline in #1 above, provide the time it takes currently for the insurer to complete each process on the chart.
3. For companies that use producers, provide the time for a completed application to be transmitted from the producer until it is received at the company.
4. Provide the total number of automobile insurance applications received by the company for the dates below:

Monthly average for the first six months of 2001 _____;

September, 2002 _____;

October, 2002 _____;

November, 2002 _____;

December, 2002 _____;

January, 2003 _____;

February, 2003 _____.