

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE SPECIAL )  
AUTOMOBILE INSURANCE POLICY )

ORDER

This matter has been opened by the Commissioner of Banking and Insurance (“Commissioner”) pursuant to N.J.S.A. 17:1-8.1, 17:1-15e, 39:6A-3.3, and all powers expressed or implied therein; and

IT APPEARING that P.L. 2003, c. 89, enacted June 9, 2003 (the “Act”), substantially revises the regulatory framework for the provision of private passenger automobile insurance in this State; and

IT FURTHER APPEARING that the Act recognizes that there are some persons in this State whose incomes are so low that they cannot afford even a “Basic” policy offered pursuant to N.J.S.A. 39:6A-3.1; and

IT FURTHER APPEARING that to address this issue, the Act provides at N.J.S.A. 39:6A-3.3 for the creation of the Special Automobile Insurance Policy (“Special Policy”), as a low-cost insurance policy designed to allow eligible individuals enrolled in the Federal Medicaid program an opportunity to comply with the mandatory insurance requirement imposed by N.J.S.A. 39:6A-3; and

IT FURTHER APPEARING that the Act provides that the policy form and rating system for the Special Policy shall be subject to approval by the Commissioner; and that the Special Policy shall be administered by the Personal Automobile Insurance Plan (“PAIP”), established pursuant to N.J.S.A. 17:29D-1 and N.J.A.C. 11:3-2; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“Department”) has proposed new rules to implement N.J.S.A. 39:6A-3.3 at N.J.A.C. 11:3-2A, which proposal appeared in the August 4, 2003 issue of the New Jersey Register at 35 N.J.R. 3519(b); and

IT FURTHER APPEARING that consistent with the statute and requirements in the proposed rules and to implement the requirements of the Act, the PAIP filed with the Department the following documents on September 4, 2003, as amended on September 18, 2003: a Plan of Operation for the Special Automobile Insurance Plan (“SAIP”); a Rating System to be used for the Special Policy; Payment Comparison Form; the Special Policy Form; the Special Policy Application and Policy Change Request Form; and the Special Policy Coverage Selection Form; and

IT FURTHER APPEARING that upon review of these documents, the Department has determined that they implement and comply with the requirements of N.J.S.A. 39:6A-3.3 and thus should be approved.

THEREFORE IT IS on this 30<sup>th</sup> day of September, 2003 ORDERED that the SAIP Plan of Operation, Rating System to be used for the Special Policy, Payment Comparison Form, Special Policy Form, Special Policy Application and Policy Change Request Form, and Coverage Selection Form, as filed by the PAIP on September 4, 2003 and amended on September 18, 2003, are hereby approved.

IT IS FURTHER ORDERED that the SAIP commence offering Special Policies October 1, 2003.

Holly C. Bakke  
Commissioner

By: /s/ Donald Bryan  
Donald Bryan  
Director, Division of Insurance

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