

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE VOLUNTARY)
RATING TIER ESTABLISHED PURSUANT) ORDER
TO N.J.S.A. 17:29D-1j AND N.J.A.C. 11:3-2.13)

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-8.1, 17:1-15e, and 17:29D-1, N.J.A.C. 11:3-2, and all powers expressed or implied therein; and

IT APPEARING that P.L. 2003, c. 89 substantially revised the requirements for the provision of private passenger automobile insurance in this State to address automobile insurance availability problems facing New Jersey consumers, insurers and regulators; and

IT FURTHER APPEARING that N.J.S.A. 17:33B-15 and 17:29D-1, as amended, establish a structure for the return to a competitive market by the gradual phase-out of the requirement that insurers insure all eligible persons; and

IT FURTHER APPEARING that N.J.S.A. 17:29D-1j provides for the establishment of a voluntary rating tier (“VRT”) in the Personal Automobile Insurance Plan (“PAIP”) to accommodate eligible persons who are denied or refused renewal of automobile insurance in a rating territory by an insurer granted relief pursuant to N.J.S.A. 17:33B-15d; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“Department”) adopted amendments to N.J.A.C. 11:3-2.13, effective April 19, 2004, regarding the VRT (see 36 N.J.R. 1929(a)); and

IT FURTHER APPEARING that, pursuant to N.J.A.C. 11:3-2.13(b)5, the PAIP plan of operation shall provide a VRT producer eligibility program, which shall be available only to producers, otherwise certified by the PAIP, who have a contract to write personal private passenger automobile insurance with a voluntary market insurer that is actively writing personal private passenger automobile insurance in this State; and

IT FURTHER APPEARING that, in order to implement this requirement, it is necessary and appropriate to require insurers actively writing personal private passenger automobile insurance to provide the PAIP with a list of producers who have active contracts as set forth above, for example, not terminated, to write personal private passenger automobile insurance, and to advise the PAIP of any future additions or deletions to the list within five days of such action.

THEREFORE IT IS on this 17th day of May, 2004

ORDERED that all insurers transacting personal private passenger automobile insurance, that are not otherwise exempted from the requirement to insure all eligible persons pursuant to law, shall provide a list to the PAIP of all of their producers with an active contract, for example, not terminated, to solicit personal private passenger automobile insurance on behalf of the insurer, within 15 days of the date of this Order, and shall advise the PAIP of any additions or deletions to the list within five days of such action. The initial list and updates thereto shall be submitted to the PAIP electronically in the form of an Excel spreadsheet and shall include the Department producer number for each producer listed. Notices shall be sent to the PAIP at the following email address: Mari.Brennan@AIPSO.com

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

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

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