

INSURANCE  
DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF INSURANCE

Notice to Policyholders of Consumer Insurance Rate Increases

Adopted New Rules: N.J.A.C. 11:1-45

Proposed: August 4, 2003 at 35 N.J.R. 3517(a)

Adopted: November 19, 2003 by Holly C. Bakke, Commissioner, Department of Banking and Insurance

Filed: November 19, 2003 as R. 2003 d. 496, with substantive and technical changes not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 17:1-8.1, 17:1-15e and 17:29A-53

Effective Date: December 15, 2003

Expiration Date: January 31, 2006.

Summary of Public Comments and Agency Responses:

The Department of Banking and Insurance (Department) timely received written comments from the following:

1. State Farm Indemnity Company and State Farm Fire and Casualty Company;
2. A joint submission from the American Insurance Association, The Insurance Council of New Jersey, and the National Association of Independent Insurers;
3. The Alliance of American Insurers;
4. The Independent Insurance Agents of New Jersey;
5. The New Jersey Association of Mutual Insurance Companies;
6. The New Jersey Personal Automobile Insurance Plan; and
7. New Jersey Manufacturers Insurance Group.

COMMENT: Several commenters suggested that the term “overall” be added to the definition of “consumer insurance rate increase” set forth in N.J.A.C. 11:1-45.2. Some commenters expressly stated that this is required to reflect the statute. The commenters stated that if an insurer files for a revenue neutral change in automobile insurance rates that includes an increase in liability coverages, changes in territorial rates and other classifications, and offsetting changes in comprehensive and collision rates, and which would not qualify for a limited rate change under N.J.S.A. 17:29A-46.6, the rules may be construed to require that notice to policyholders be sent even though there is no overall rate increase. The commenters believed that this would be contrary to the statute. One commenter also suggested that N.J.A.C. 11:1-45.1 be revised to include the term “overall.” One commenter also stated that the word “overall” applies to all coverages and forms in a particular rate filing.

Another commenter requested that the Department clarify the scope of the term “overall” as used in the statute. The commenter questioned if, for example, an insurer files for an increase only in its tenants rates, would notice be required. If so, the commenter questioned whether notice would have to be provided only to policyholders with tenants coverage.

Some commenters thus suggested that the definition of “consumer insurance rate increase” in N.J.A.C. 11:1-45.2 be amended to read as follows (additions to proposal are in boldface; deletions are bracketed) (note that some of the editorial suggestions of the commenters have been combined, but the substance of the suggestions is reflected):

“‘Consumer insurance rate increase’ means a prior approval filing that:

1. For private passenger automobile insurance, would result in an overall increase in rates for all groups [any group] of coverages, as defined in N.J.A.C. 11:3-16.2 covered by the filing;

2. For homeowners' insurance, would result in an overall increase in rates for all [any] policy forms covered by the filing, that is, owners, tenants, or condominiums;
3. For personal lines property/casualty coverages, other than as set forth in 1 and 2 above, would result in an overall [a] positive rate change; and
4. From Medicare Supplemental coverages would result in an overall increase for all [any] of the standard coverage plans A through J and all [or for any] non-standard policy or certificate forms used by the filer.

RESPONSE: Upon review, the Department has determined not to change this provision. The term "overall" is not defined in the statute and the Department does not construe the meaning of that term in the manner the commenters suggest. The intent of the statute is to ensure that the public and policyholders are provided notice of actions by insurers and rating organizations seeking a rate increase that may affect them. Under the commenters' proposed scenario, an insurer seeking an increase in owners' coverage would not be required to provide notice to policyholders potentially affected, if the filing also contained a corresponding decrease in tenants' coverage. The Department does not believe that such a rule would implement the intent of the statute. Those policyholders that have owners' coverage would not be advised of the proposed increase as mandated by the legislature. Similarly, auto policyholders that have liability only coverage would not be apprised of any proposed increase in liability rates where there is a corresponding proposed reduction in comprehensive and collision rates. In the case of Medicare supplement coverage, a policyholder would only have one of the particular plans A through J, not all of them. Requiring notice only in cases where there is an overall increase for all of the plans would essentially obviate the statute. Pursuant to N.J.A.C. 11:1-45.3(a), notice is

required to be provided only to those policyholders that would be affected by the proposed change.

COMMENT: Several commenters suggested that N.J.A.C. 11:1-45.3(a) be revised to provide that notices be “sent” within 10 business days, rather than “provided.” One commenter stated that the requirement in the rule as proposed could be construed to mean that the notice must be received or expected to be received within 10 business days. The commenter stated that insurers could not guaranty receipt within that timeframe. In addition, an insurer may choose to utilize notice by U.S. Postal third class mail, which could take longer than 10 business days for receipt.

RESPONSE: Upon review, the Department has determined that no change is required. The Department does not construe the rule as requiring that notice be received or expected to be received within the 10 business day timeframe. Indeed, N.J.A.C. 11:1-45.3(b) expressly provides that insurers shall not be responsible to assure receipt of the notice by policyholders. Moreover, insurers may choose to provide notice through electronic means. The Department thus believes that the terms “provide” and “provided” are appropriate in the context of the rule.

COMMENT: One commenter suggested that N.J.A.C. 11:1-45.3(a) be revised to provide that the notice be provided to the named in-force policyholders and that the notice be sent to the named policyholders’ address as indicated on the declaration page, rather than to the “last known address of the named policyholder,” as is provided in the rule.

RESPONSE: Upon review of the commenter's concerns, the Department has determined that no change is required. Insurers are required to provide notice of a proposed rate increase to their policyholders, which means their in-force policyholders. By their terms, the statute and rules do not require that notice be given to past policyholders. Further, the Department believes that it is appropriate to require notice to be provide to the "last known address of the named policyholder" as this should reflect the address as indicated on the declaration page.

COMMENT: One commenter suggested that N.J.A.C. 11:1-45.3(b) be revised to provide that the failure of any policyholders to receive the notice shall not impact upon the Department's decision on any rate change that may subsequently be approved, rather than the effectiveness of any rate change.

RESPONSE: Upon review of the commenter's concern, the Department has determined that no change is required. The Department's evaluation of any proposed rate change will be made in accordance with standards set forth by applicable law. The purpose of this provision is to provide that the validity or effectiveness of a rate change otherwise instituted and approved pursuant to law will not be affected on the basis of a policyholder not receiving notice which is provided within the timeframes prescribed.

COMMENT: One commenter suggested that N.J.A.C. 11:1-45.1(b) be revised to provide that the subchapter shall not apply if the proposed rate change pertains to (additions to proposal are in boldface; deletions are bracketed):

“1. [An expedited] A limited prior approval rate filing made pursuant to N.J.S.A. 17:29A-46.6 or 17:36-5.35; ..... or

3. A rate filing made pursuant to any statutory or regulatory change in coverage provided under any personal lines [policy of private passenger automobile insurance] property/casualty coverage.”

RESPONSE: Upon review, the Department has determined not to change N.J.A.C. 11:1-45.1(b)3. This provision tracks verbatim the statutory exemptions as set forth at N.J.S.A. 17:29A-53b. Any regulatory changes that could result in a rate increase would be made pursuant to statutory requirements. Further, exempting any personal lines rate filing from the notice requirement would be inconsistent with the exemption as delineated by the statute and contrary to the Legislature’s intent.

The Department, however, has determined that it is appropriate to revise N.J.A.C. 11:1-45.1(b)1 upon adoption to delete the word “expedited,” as these rate filings are referred to by different terms in implementing rules N.J.A.C 11:3-16B and 11:2-42, as applicable. This change will avoid any confusion or inconsistency concerning the references to rate filings made pursuant to N.J.S.A. 17:29A-46.6 or 17:36-5.35 contained in N.J.A.C. 11:1-45.1(b)1.

COMMENT: One commenter stated that the statute requires that notice of consumer rate increases be provided with respect to personal lines property/casualty coverage and Medicare supplement coverages, but noted that “personal lines property/casualty coverages” is not defined in the statute. The commenter suggested that the rules clearly provide that commercial lines policies are exempted.

RESPONSE: The rules define personal lines property/casualty coverage in N.J.A.C. 11:1-45.2 consistent with the definition as set forth in N.J.A.C. 11:13-1.2(a)2. This definition excludes commercial lines coverages. Accordingly, the rules by their terms do not apply to commercial lines coverages.

COMMENT: One commenter stated that the Legislature intended to cover only personal lines automobile and homeowners' policies, and Medicare supplement coverages, and did not intend to broaden the definition to include other lines such as personal marine, personal theft, personal liability, etc. The commenter stated throughout N.J.S.A. 17:29A-53, no reference is made to lines other than personal automobile insurance. The commenter suggested that the Department limit application of the rules solely to personal lines automobile and homeowners' insurance.

RESPONSE: The Department disagrees. The statute is not limited by its terms only to personal lines automobile and homeowners' policies. If the Legislature intended to limit application of the statute solely to these lines, it could have expressly listed those lines. Rather, in defining "consumer insurance rate increase," the Legislature utilized the term "personal lines property/casualty coverages." This phrase, by its terms, encompasses more than solely personal auto and homeowners' coverages. The Department thus believes that the rules implement the intent of the Legislature as set forth in the statute.

COMMENT: Several commenters expressed concern in general with providing notice to policyholders of proposed increases in rates. One commenter stated that changes to the rate

increase proposal, including withdrawal of the proposal, can and do take place during the pendency of the process. Accordingly, consumers may be given inaccurate information. The commenters further believed that this could cause unnecessary concern and disruption to policyholders and consumers.

One commenter suggested that the Department revise the rules to permit insurers to select the most appropriate time to provide notification to policyholders prior to Department approval, and that the Department should develop specific language that an insurer may utilize to inform the public about a rate proposal. This commenter believed that a generic statement without detailed figures and percentages would prevent confusion on the part of the public.

Another commenter believed that the rules should provide that notice of an approved rate increase should be provided with the policyholder's next renewal notice.

Another commenter suggested that the Department revise the rule to provide for notice after the filing is adopted. This commenter believed that, in any case, the notice should require the following statements:

- Not all policyholders will see the average increase outlined in this notice. You should not shop for a different policy until you have your specific renewal policy premium. Prior to changing companies, you should discuss various coverage options with your agent/company representative.
- If you shop for coverage, make sure that you understand all of the coverage options that you have under your current policy so that you are obtaining an accurate comparison.
- Understand that if you change companies, you will be subject to the underwriting guidelines of that new company. If you apply for new coverage and you do not meet the underwriting



requirements, your policy premium may be adjusted, the policy may be cancelled or your application may be denied.

RESPONSE: Upon review, the Department has determined not to change this provision. The statute specifically requires that, for insurers, notice must be communicated to named policyholders who use the products and services subject to the overall rate increase, within 10 business days after the applicable filing with the Department. Accordingly, the Legislature has prescribed the time within which the notice must be provided. In addition, the Department does not construe the statute as providing for a “generic” statement. The statute specifically requires that if an insurer or rating organization files for a consumer insurance rate increase, the insurer or rating organization shall, in conjunction with such filing, notify the public of the proposed rate change. Accordingly, the Department believes that the Legislature intended that consumers be advised of the specific rate proposal. The Department recognizes that changes may occur in the intervening period between the time that the filing is made with the Department and the time when action is ultimately taken or rates are ultimately put into effect. However, the Department has addressed this by providing that the notice make clear that these increases are only proposed, are subject to prior approval by the Department, and ultimately may not be approved for the amount requested, or at all.

Further, the Department does not believe that the proposed statements suggested by one of the commenters should be included in the notice. The notice makes clear that the request is subject to review and approval, and that the request ultimately may not be approved or approved for the full amount requested. The Department does not believe it is appropriate to advise insureds to delay taking any additional action that they may deem appropriate. Moreover, a

number of issues to consider when shopping for insurance exist irrespective of any proposed rate increase. Such issues are addressed in the Buyer's Guides required to be provided by insurers, guides published on the Department's website, and discussions between insureds and their agent.

COMMENT: One commenter expressly supported the provision in N.J.A.C. 11:1-45.3(b) that provides that insurers shall not be responsible to assure receipt of the notice by policyholders.

RESPONSE: The Department appreciates the support of its proposal.

COMMENT: One commenter questioned whether reductions in or elimination of deviations filed pursuant to N.J.A.C. 11:1-16 will be subject to the notice requirement.

RESPONSE: The statute and rules apply only to rate increases. Insofar as filings pursuant to N.J.A.C. 11:1-16 relate to filings for rate decreases, no notice would be required. For any subsequent increase, notice would be required pursuant to these rules.

COMMENT: One commenter questioned whether increases in rates for one to four family tenant occupied dwellings would be subject to notice under the rules. The commenter noted that the United States Treasury, for purposes of terrorism insurance, has recently classified these risks as "commercial" property/casualty coverage.

RESPONSE: In accordance with N.J.A.C. 11:13-1.2, insurance issued for personal, family or household purposes includes policies used solely to provide homeowners insurance, and

dwelling fire insurance on one to four family units. Accordingly, such coverage would constitute personal lines property/casualty insurance, and thus, is subject to the notice requirements.

COMMENT: One commenter stated that the proposal should expressly exempt the Personal Automobile Insurance Plan (PAIP) from the rules. The commenter believed that the rules as drafted did not contemplate the residual market, as the references to various rate filings apply to the voluntary market and do not apply to the residual market. Further, the commenter stated that the intent of the rules is to make consumers aware of pending changes in insurer rates. Any increase to the PAIP's rates would apply to all policies written through the PAIP by member companies. The commenter further stated that the PAIP is not a market of choice for consumers, and that therefore awareness of pending PAIP rate increases will not further consumers' ability to choose.

RESPONSE: The Department agrees for the reasons generally expressed by the commenter and has amended N.J.A.C. 11:1-45.1(b) upon adoption accordingly. In addition, the PAIP does not have policyholders per se because insureds are written through member insurers or limited assignment distribution carriers. Accordingly, the PAIP would not be in a position to know who its policyholders are at a given point in time. The Department, however, will post notices of proposed rate increases for the PAIP on its website.

COMMENT: One commenter noted that N.J.A.C. 11:1-45(b) (probably intending to refer to N.J.A.C. 11:1-45.1(b)), exempts application of these rules to expedited rate filings for private passenger automobile and homeowners' policies made pursuant to N.J.S.A. 17:29A-46.6 and

17:36-5.35. The commenter requested confirmation that notices need not be provided for changes in class factors and other relativity factors, such as model year, symbol, and tables, which are not necessarily rate filings. Further, the commenter stated that there is no exclusion for certain rate filings other than private passenger automobile and homeowners' policies. The commenter stated that, frequently, such filings include not only changes in the overall rate level but modifications in relativity tables, deductible factors, etc. If the overall effect of a filing is not more than five or seven percent, such a filing should not require notice. The commenter suggested that the rule be revised to exempt filings for minimal rate increases for property/casualty lines other than auto and homeowners.

RESPONSE: With respect to exemptions for so-called "de minimis" rate filings, the Department notes that the rules reflect the exemptions set forth in N.J.S.A. 17:29A-53b. The statute provides no exemption for de minimis filings.

With respect to filings for changes in class factors and other relativity factors, these do not constitute a "rate filing," but rather are rule filings. Accordingly, the notice requirements under these rules would not apply.

COMMENT: One commenter stated that, with respect to notices provided by rating organizations pursuant to N.J.A.C. 11:1-45.3(a), many times filings by a rating organization on behalf of an insurer are on a loss cost basis which, when approved, require the insurer to file its loss cost modifier with the Department. The commenter believed that it is redundant to require rating organizations to provide notice of its rate filing and then require an insurer to provide

additional notice. The commenter believed that multiple notices may confuse consumers. The commenter thus questioned the purpose of this requirement.

RESPONSE: The requirement in N.J.A.C. 11:1-45.3 reflects the statutory requirement that rating organizations provide notice of proposed rate increases pursuant to N.J.S.A. 17:29A-53. The Department does not believe that this should cause confusion since rating organizations will provide notice to the public in general via newspaper or on their website, while individual insurers who are members of the rating organization and who intend to adopt or use the rate filing made by the rating organization will provide notice of their particular proposed increases to their individual policyholders.

COMMENT: One commenter believed that the rules provide that notices are not required with respect to rate filings for private passenger type automobiles insured under a business automobile policy. N.J.A.C. 11:1-45.2 defines “personal lines property/casualty coverages” as insurance issued for personal, family or household purposes, as set forth in N.J.A.C. 11:13-1.2(a)2. Those rules provide as an example insurance policies principally used to provide primary insurance on private passenger automobiles that are individually owned and used for personal or family needs. The commenter stated that a business automobile policy that provides coverage for a personal private passenger automobile is not contemplated within that definition. The commenter requested that the Department clarify that such vehicles are excluded from the notice requirements under these rules.

RESPONSE: N.J.S.A. 17:29A-53d. (P.L. 2003, c.89, Section 44d) provides that: “For purposes of this section, ‘consumer insurance rate increases’ mean prior approval rate increases for: personal lines property casualty coverages; or Medicare Supplemental Coverages.” Thus, the requirement to provide notice of requests for such rate increases applies to all auto insurance policies that are written under a personal lines insurance policy form and rating system. Commercial auto policies are not considered personal lines coverage and thus would not be subject to the notice requirements.

COMMENT: One commenter stated that the proposed form of notice in the Appendix requires notice of rate increases by percentage. The commenter stated that consumers should understand the increase in rates is relative to the base rate and that a five or seven percent increase is likely to be minimal in terms of dollars. The commenter suggested that the Department permit an alternative method of notification, which would reflect an average expected rate increase in dollars.

RESPONSE: Rate filings reflect increases in terms of percentages, and thus the Department believes that proposed increases in terms of percentages should be provided in the notice. For the reasons expressed by the commenter, the Department, however, agrees that, at the option of the filer, notice of the average expected rate increase in terms of dollars may be provided as an addition to information presently required. No change to the rule is required as N.J.A.C. 11:1-45.3(d) provides that an insurer may supplement the notice with any additional information it deems appropriate.

COMMENT: Several commenters suggested several changes to the notice form in the Appendix as follows:

1. The first paragraph should add a reference to “policies” after the reference to type of coverages;

2. The second sentence of the second paragraph should be deleted since the calculation of a rate increase for a private passenger auto policy with “full coverage” is something that is not part of the rate filing. One commenter stated that the notice should not require insurers to provide information that is not in the rate filing;

3. The use of the terms “owners,” “tenants” and “condominiums” policies in the third paragraph should be revised to allow insurers to reflect the titles of their policies on their filed and approved policy forms, so that policyholders understand which policies are affected by the filing;

4. A statement should be added at the end regarding consumer inquiries about the rate filing as follows: “If you have any questions about this filing, please contact the New Jersey Department of Banking and Insurance.” One commenter stated that the Department not only has the filing, but would know its status and can answer any questions that the consumer may have about intervening in the filing, and other matters.

In addition, one commenter stated that the last sentence of the last paragraph states that the rate change will not affect existing policies until they come up for renewal. The commenter did not believe that this is accurate. The commenter stated that a rate increase will affect policies mid-term if, after the effective date of the rate change, the policyholder adds coverages (such as additional or replacement insured automobiles, higher limits, etc.). Accordingly, the commenter

suggested that the last sentence should be deleted or amended to read as follows (additions to proposed language are in boldface, deletions are bracketed):

“If approved, in whole or in part, the rate change will not affect existing policies until they come up for renewal unless you add or increase coverage (e.g., change an insured auto, higher limits, new endorsement).”

Finally, one commenter suggested that an additional paragraph be added to capture property/casualty policies other than automobile and homeowners’ policies, such as that provided in the exhibit regarding the impact of the filing. Accordingly, the commenter suggested that an additional paragraph be added as follows: “The impact of the filing on your rates may vary substantially, depending on the terms of the policy and your individual circumstances.”

RESPONSE: The Department’s responses are set forth below in the order of the comments presented:

1. The Department disagrees. Rate filings reflect proposed changes for coverages rather than policies. Accordingly, the Department believes that no change is required.
2. Rate filings for private passenger automobile insurance include an example of the impact of the proposed change to a policy with “full coverage” pursuant to Exhibit E of the Appendix to N.J.A.C. 11:3-16. The Department thus believes that it is appropriate to provide notice to policyholders of the proposed impact upon such policies.
3. The Department agrees for the reasons expressed by the commenter. The form of notice has been revised upon adoption to provide that the terms used should be consistent with the equivalent terms used by the filer.



4. The Department disagrees. The Department believes that the filer is in a better position to answer questions about a filing that it prepared, and should be in a position to fulfill its obligations to address consumer inquiries with respect to its rate filing.

With respect to the suggested change to the last sentence in the last paragraph, the Department has determined that no change is required. Increases for additional coverages are treated differently by different companies. Depending on the change in coverage, it may not necessarily apply mid-term. The purpose of the notice is to provide a uniform notice to consumers to be utilized by insurers and rating organizations. Moreover, the form notice contemplates that there are no other changes in coverage. The Department notes that an insurer may supplement the required notice with additional explanatory information it deems appropriate pursuant to N.J.A.C. 11:1-45.3(d).

Finally, with respect to the comment that an additional sentence be added for changes other than to private passenger automobile, homeowners' and Medicare supplement coverages, consistent with that already included, the Department agrees. It is the Department's intent that this explanatory sentence, which is already included for the stated coverages, be included for all other property/casualty coverages. The form of notice has been revised upon adoption to reflect this clarification.

**Summary** of Agency-Initiated Changes:

The Department has changed various provisions in the rules upon adoption as a matter of form to revise the references to P.L. 2003, c. 89, section 44b, to reflect the legal citation as codified, N.J.S.A. 17:29A-53b.

Federal Standards Statement

A Federal standards analysis is not required because the adopted new rules relate to the provision of insurance in this State and are not subject to any Federal requirements or standards.

Full text of the adopted new rules follows (additions to proposal indicated in boldface with asterisks **\*thus\***; deletions from proposal indicated in brackets with asterisks \*[thus]\*):

SUBCHAPTER 45. NOTICE TO POLICYHOLDERS OF CONSUMER INSURANCE RATE INCREASES

11:1-45.1 Purpose and scope

(a) This subchapter sets forth the form and manner of notice to be provided to policyholders and the public when an insurer or rating organization files for a consumer insurance rate increase, in accordance with \*[Section 44b of P.L. 2003, c. 89]\* **\*N.J.S.A. 17:29A-53b\***.

This subchapter shall apply to all insurers and rating organizations that file for a consumer insurance rate increase, as required pursuant to \*[Section 44b of P.L. 2003, c. 89]\* **\*N.J.S.A. 17:29A-53b\***. This subchapter shall not apply if the proposed rate change pertains to:

1. \*[An expedited]\* **\*A\*** prior approval rate filing made pursuant to N.J.S.A. 17:29A-46.6 or 17:36-5.35;
2. Rating system changes made pursuant to 17:29A-46.1 et seq.; \*[or]\*
3. A rate filing made pursuant to any statutory change in coverage provided under a policy of private passenger automobile insurance **;** **or**
4. **A rate filing by the New Jersey Personal Automobile Insurance Plan\***.

11:1-45.3 Form of notice required

(a) Subject to N.J.A.C. 11:1-45.1(b), insurers shall provide notice, in the form set forth in Exhibit A in the Appendix to this subchapter, incorporated herein by reference, of any filing for a consumer insurance rate increase, as defined in \*[Section 44b of P.L. 2003, c. 89]\* **\*N.J.S.A. 17:29A-53b\***, filed directly by the insurer or on its behalf by a rating organization.

The notice shall be communicated through either regular or electronic mail to the named policyholders who use the products and services subject to the consumer insurance rate increase, and shall be provided within 10 business days of the filing with the Department. In the case of regular mail, the notice shall be sent to the last known address of the named policyholder. The insurer may request policyholders to supply their electronic mail address, if they have one. If the policyholder does not have an electronic mailing address, then the insurer shall use regular mail. Insurers shall, as part of any filing for a consumer insurance rate increase, affirm that they are aware of and will comply with this notice requirement.

(b) – (d) (No change from proposal.)

## APPENDIX

Dear Policyholder:  
(Salutation may be omitted by rating organizations.)

This is to provide notice as required pursuant to \*[Section 44 of P.L. 2003, c.89]\* **\*N.J.S.A. 17:29A-53b\*** that (COMPANY NAME) filed on (DATE) with the New Jersey Department of Banking and Insurance a request for a rate increase in the amount \_\_\_\_\_% for (TYPE OF COVERAGE(S)).

[For PPA only] Under the proposed filing, the average liability-only policy would see a rate change of \_\_\_\_%. The average Full Coverage policy (includes comprehensive and collision coverage) will see a rate change of \_\_\_\_%. The impact of the filing on your rates may vary substantially, depending on the terms of your policy and your individual circumstances.

[For homeowners' only] Under the proposed filing, the average Owners policy **\*(or equivalent term used by the filer)\*** will see a rate change of \_\_\_\_%. The average Tenants policy **\*(or equivalent term used by the filer)\*** will see a rate change of \_\_\_\_%. The average Condominiums policy **\*(or equivalent term used by the filer)\*** will see a rate change of \_\_\_\_%. The impact of the filing on your rates may vary substantially, depending on the terms of your policy and your individual circumstances.

[For Medicare Supplemental coverages only, list the increase for each of the standard plans A through J, and the increase for each non-standard coverage policy or certificate form used by the filer to which a requested rate increase applies]. The impact of the filing on your rates may vary substantially, depending on the terms of your policy and your individual circumstances.

**\*[For all other personal lines property/casualty coverages] Under the proposed filing, the average policy will see a rate change of      %. The impact of the filing on your rates may vary substantially, depending on the terms of your policy and your individual circumstances.\***

The request for a rate increase is subject to review and approval by the Department of Banking and Insurance pursuant to law, and the request ultimately may not be approved or may not be approved for the full amount requested. If approved in whole or in part, the rate change will not affect existing policies until they come up for renewal.

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