



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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BULLETIN NO. 23-04

TO: ALL NEW JERSEY AUTO INSURERS ISSUING PRIVATE PASSENGER AUTOMOBILE POLICIES

FROM: MARLENE CARIDE, COMMISSIONER

RE: UNDERWRITING AND PRICING CONSIDERATIONS RELATED TO CERTAIN MODELS OF KIA AND HYUNDAI AUTOMOBILES

In response to public reports of increased thefts of certain models of Kia and Hyundai automobiles in the United States caused by a "TikTok Challenge," the Department of Banking and Insurance ("Department") is aware that private passenger automobile insurers ("insurers") may be stopping or refusing to insure these impacted vehicles. The purpose of this Bulletin is to inform insurers that it is the Department's position that pursuant N.J.S.A. 17:22-6.14a1 insurers may not refuse to insure a risk for which they have filed a rate with the Department. Therefore, insurers do not have the authority to stop or refuse insuring certain models of Kia and Hyundai automobiles based on a "TikTok Challenge."

Pursuant to N.J.S.A. 17:22-6.14a1, an insurer's underwriting guidelines may not be arbitrary, capricious, or unfairly discriminatory. Further, pursuant to N.J.S.A. 17:29A-14, an insurer has the responsibility to file with the Department alterations, supplements, or amendments to its rates, rating systems, or any part thereof and should be applying its rates on file to these types of vehicles. Additionally, under N.J.S.A. 17:29A-6, an insurer must file all rates and rating rules with the Department before implementing them. The Department expects that insurers use the rates that they have filed with the Department and may not refuse or stop insuring a risk for which they have filed a rate.

Any insurer may file amended rates to reflect the commensurate risk of any exposure. Therefore, insurers may file to amend the rating factors for applicable vehicles to reflect additional theft exposure, subject to providing relevant supporting data. The Department does not see a legitimate business or economic purpose for characterizing Hyundai and Kia vehicles as ineligible for motor vehicle coverage in New Jersey.

In accordance with Order No. A23-01, issued simultaneously with this Bulletin, the Department has ordered that that all authorized and admitted property/casualty insurers that have private passenger automobile policies in force on the date of this Order, shall provide the Department with copies of their private passenger automobile underwriting guidelines and rules

applicable between January 1, 2023 and the date of Order No. A23-01. Any additional changes made to underwriting guidelines during this period should also be filed with the Department. The guidelines shall be submitted by April 14, 2023. In addition, any changes implemented between the date of Order No. A23-01 and prior to December 31, 2023 shall be submitted to the Department within five days of implementation. Documents shall be e-mailed to market.analysis@dobi.nj.gov.

Please contact Assistant Commissioner Carl Sornson directly with any questions or concerns at 609-940-7616 or Carl.Sornson@dobi.nj.gov.

04/06/2023

Date



Marlene Caride
Commissioner

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