

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE PRIVATE)
PASSENGER AUTOMOBILE INSURANCE)
RATES FOR AMERICAN INTERNATIONAL) CONSENT ORDER
INSURANCE COMPANY OF NEW JERSEY)
AND AMERICAN INTERNATIONAL)
INSURANCE COMPANY OF DELAWARE)

This matter has come before the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”) upon the request of American International Insurance Company of New Jersey (“AIICNJ”) and American International Insurance Company of Delaware (“AIICDE”) (collectively the “Companies”) for approval of a requested change in their personal private passenger automobile insurance rates; and

IT APPEARING that the Companies, by a filing dated November 21, 2002, as supplemented through January 29, 2003, originally requested an increase in their private passenger automobile insurance rates of 10.5 percent, which was reduced to a request for 9.9 percent, pursuant to N.J.S.A. 17:29A-1 et seq. and N.J.A.C. 11:3-16 (the “Filing”); and on January 21, 2003 the Companies requested that the filing be transferred to the New Jersey Office of Administrative Law (“OAL”) for a hearing in accordance with N.J.A.C. 11:3-18; and

IT FURTHER APPEARING that after consideration of the filing the Companies and the Department of Banking and Insurance (“Department”) have agreed that an overall increase of 8.7 percent for AIICNJ and 8.8 percent for AIICDE will produce rates that are not excessive, inadequate or unfairly discriminatory; and

IT FURTHER APPEARING that the companies filed for approval and thereafter implemented a rate change in accordance with the provisions of N.J.S.A. 17:29A-46.6 and N.J.A.C. 11:3-16B, effective July 1, 2002, and that in accordance with that statute, the Companies could seek to implement a rate change effective July 1, 2003; and the Companies have agreed to forego seeking such a rate increase until at least January 1, 2004; and that such action will help contribute to the stability of the market; and

IT FURTHER APPEARING that the terms of this Consent Order will resolve all outstanding issues under the Companies' personal private passenger automobile insurance rate filing and this Consent Order constitutes a withdrawal of their request for a hearing on the filing by OAL;

NOW, THEREFORE, upon consent of the parties, and good cause having been shown:

IT IS on this 2nd day of July, 2003

ORDERED that

1. The Companies may implement a rate change in their personal private passenger automobile insurance rates in an amount overall of 8.7 percent for AIICNJ and 8.8 percent for AIICDE;
2. The Companies shall, within 10 days of the effective date of the rates as set forth herein, file manual rate pages with the Department that reflect the break down of the overall increase by company and by coverage, and shall advise of the effective date of the implementation of these rates;
3. The Companies shall not, prior to January 1, 2004, seek to implement any increase in their private passenger automobile insurance rates pursuant to N.J.S.A. 17:29A-46.6 and N.J.A.C. 11:3-16B; and

