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BULLETIN NO. 08-26

TO: ALL INSURERS AUTHORIZED TO TRANSACT PRIVATE PASSENGER AUTOMOBILE INSURANCE IN THIS STATE; ALL LICENSED PRODUCERS TRANSACTING PRIVATE PASSENGER AUTOMOBILE INSURANCE

FROM: STEVEN M. GOLDMAN, NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE

RE: LIMITATION ON 2 PERCENT AND 2-FOR-1 NONRENEWALS PURSUANT TO N.J.A.C. 11:3-8.6(c)

N.J.S.A. 17:29C-7.1(a) provides that a private passenger automobile insurer may use the two percent and 2-for-1 nonrenewal provisions as set forth in N.J.S.A. 17:29C-7.1(b) and (c) only where the insured or operator under the policy to be nonrenewed, "within the five years immediately preceding renewal has had at least two of the following or any combination thereof: (a) an at-fault accident; or (b) a moving violation which was assessed at least four automobile insurance eligibility points; or (c) has been required, but failed, to maintain coverage mandated by N.J.S.A. 39:6A-4 without lapse."

N.J.S.A. 17:29C-7.1(a) was implemented by N.J.A.C. 11:3-8.6(c), which referenced N.J.A.C. 11:3-34 for the definition of an "at fault accident" and the list of motor vehicle violations that accrued automobile insurance eligibility points.

Effective January 1, 2009, the requirement that all private passenger automobile insurers provide coverage to all eligible persons will be rendered inoperative pursuant to P.L. 2003, c. 89. The Department recently adopted changes to a number of regulations to implement this statutory change.

As part of the adoption, N.J.A.C. 11:3-34, Eligible Persons Qualifications and Automobile Insurance Eligibility Points Schedule, was amended to make the subchapter inoperative unless and until the Commissioner reactivates the "take all eligibles" requirement in accordance with the statute. (See N.J.S.A. 17:33B-15d(3).)

The purpose of this Bulletin is to advise insurers and producers that N.J.A.C. 11:3-34 is inoperative for the purpose of setting acceptance criteria for applicants and renewing insureds. However, the rule will remain in the New Jersey Administrative Code and its definition of an "at-fault accident" and the list of insurance eligibility points attributable

to the motor vehicle violations specified therein can continue to be used by insurers to identify insureds who may be nonrenewed pursuant to N.J.A.C. 11:3-8.6(c).

12/15/08
Date

/s/ Steven M. Goldman
Steven M. Goldman
Commissioner

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