



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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BULLETIN NO. 10-37

TO: ALL NEW JERSEY PRIVATE PASSENGER AUTOMOBILE INSURERS

FROM: THOMAS B. CONSIDINE, COMMISSIONER

**RE: ANNUAL PREMIUM SURVEY: N.J.A.C. 11:3-45
ANNUAL PREMIUM SURVEY INFORMATION**

Pursuant to N.J.S.A. 39:6A-23.1, the Commissioner of Banking and Insurance each year conducts a premium survey of private passenger automobile insurers and publishes the results of the information for the benefit of consumers. N.J.A.C. 11:3-45 sets forth a standard procedure to be employed for the dissemination of the survey information. In accordance with N.J.A.C. 11:3-45.3(b), this Bulletin is being issued to advise all insurers of the survey information they should use to complete their annual responses.

Appendix #1 is a copy of the survey information from which the sample premiums shall be calculated. There are five survey examples with variations, and each of the sample premiums should be calculated for each specified zip code.

Appendix #2 is a copy of the approved survey certification form that should be completed by a corporate official attesting to the accuracy of the forms. A signed paper copy is not required.

Appendix #3 is a copy of the worksheet that shows the insurer's total premiums by example (see Appendix #1) and by zip code. Please provide a detailed explanation for every rating example where your company(ies) do(es) not have a premium calculated.

Appendix #4 is a worksheet that shows the insurer's calculations used to obtain the various coverages and the total premium for each example (Appendix #1) using 49 zip codes. Each Appendix #4 worksheet should identify the tier in which the risk is placed and all assumptions used in making this placement.

Companies not actively writing in the private passenger automobile market in New Jersey are not required to respond to this bulletin. Companies writing private passenger automobile

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requesting an exemption should e-mail their request to the address below, stating the basis for the request, and include the NAIC number for all companies covered by the request.

Additional copies of this Bulletin, the criteria for rating examples and additional work sheets can be obtained from the Department's web page: www.njdobi.org.


The completed survey (Appendices #2, #3 and #4) should be submitted to the Department on or before January 14, 2011 and should reflect annual premiums that are effective as of October 1, 2010. Insurers which require a surplus contribution for new business are to reflect that.

The survey shall be submitted as an Excel spreadsheet by e-mail. The required blank Excel spreadsheet may be downloaded at the Department's web-site at www.njdobi.org. The spreadsheet name is APS2011.xls. Upon completion, the survey should be sent to:

E-Mail Address: reports@dobi.state.nj.us

All insurers are reminded that failure to comply with these requirements can result in penalties authorized by law.

December 16, 2010
Date



Thomas B. Considine
Commissioner

Attachments

Appendix 1

Spreadsheet APS2011.xls

Note: The spreadsheet contains Appendices 2, 3 and 4

* Requires Adobe Acrobat Reader

Example 1-A:

Young Single Male, age 23 (single car policy – without PLIGA surcharge)
Drives a 2003 Buick Century Custom, four-door sedan, with a Category II Anti-Theft Device discount, active seatbelts and dual airbags, ISO rating symbol 8
Pleasure use – drives less than 3 miles daily
Has no motor vehicle violations/accidents in the past 3 years

Standard Policy:

Liability:

Bodily Injury Limits: \$15,000/\$30,000

Property Damage: \$5,000 (or combined single limit of \$35,000)

Personal Injury Protection: \$250,000; \$250 deductible

Uninsured Motorist Coverage:

Bodily Injury Limits: \$15,000/\$30,000

Property Damage: \$5,000 (or combined single limit of \$35,000)

Comprehensive: \$750 deductible

Collision: \$750 deductible

Limited Right to Sue

Example 1-B:

Same as Example 1-A, but with Unlimited Right to Sue Option

Example 2-A:

Married couple, both between ages of 30 and 49 (multiple car policy – without PLIGA surcharge)

Car # 1:

2009 Ford Escape XLT 4x2 4-door utility, with Category II Anti-Theft Device discount, ISO rating symbol 8

Driven by husband to work 10 or more miles a day; 20,000 annual miles

Car # 2:

2007 Chrysler Town and Country 4x2 4-door, with a Category II Anti-Theft Device discount, with side airbags, ISO rating symbol 6

Driven by wife to work less than 3 miles a day; less than 7,500 annual miles

No motor vehicle violations/accidents within the past 3 years

Continuous insurance with same company for 5 years

Standard Policy:

Liability:

Bodily Injury Limits: \$100,000/\$300,000

Property Damage: \$25,000 (or combined single limit of \$300,000)

Personal Injury Protection: \$250,000; \$250 deductible

Uninsured Motorist Coverage:

Bodily Injury Limits: \$100,000/\$300,000

Property Damage: \$25,000 (or combined single limit of \$300,000)

Comprehensive: \$750 deductible (on Car #1 and Car #2)

Collision: \$750 deductible (only Car #1)

Limited Right to Sue

Example 2-B:

Same as Example 2-A, but with Unlimited Right to Sue Option

Example 3-A:

Unmarried male, 35 years old (without PLIGA surcharge)

2009 Ford Escape XLT 4x2 4-door utility, with Category II Anti-Theft Device discount, ISO rating symbol 8

Has no motor vehicle violations/accidents in the past 3 years

Uses Mass Transit to work –pleasure use, less than 3 miles to train/bus station

Standard Policy:

Liability:

Bodily Injury Limits: \$100,000/\$300,000

Property Damage: \$25,000 (or combined single limit of \$300,000)

Personal Injury Protection: \$250,000; \$250 deductible

Uninsured Motorist Coverage:

Bodily Injury Limits: \$100,000/\$300,000

Property Damage: \$25,000 (or combined single limit of \$300,000)

Comprehensive: \$750 deductible

Collision: \$750 deductible

Limited Right to Sue

Example 3-B:

Same as Example 3-A, but insured drives to work, long commute.

Example 4-A:

Married couple, both 65 or older (single car policy – without PLIGA surcharge)

Drive a 2009 Ford Escape XLT 4x2 4-door utility, with Category II Anti-Theft device discount, ISO rating symbol 8

Pleasure use (10,000 annual miles)

Has no motor vehicle violations/accidents within the past 3 years

Standard Policy:

Liability:

Bodily Injury Limits: \$100,000/\$300,000

Property Damage: \$25,000 (or combined single limit of \$300,000)

Personal Injury Protection: \$250,000; \$250 deductible

Uninsured Motorist Coverage:

Bodily Injury Limits: \$100,000/\$300,000

Property Damage: \$25,000 (or combined single limit of \$300,000)

Comprehensive: \$750 deductible

Collision: \$750 deductible

Limited Right to Sue

Example 4-B:

Same as Example 4-A, but with Unlimited Right to Sue Option

Example 5:

Young Single Female, age 23 (single car policy – without PLIGA surcharge)

Drives a 2003 Buick Century Custom, four-door sedan, active seatbelts and dual airbags, ISO rating symbol 8

Drives 5 miles to work each day and 12,000 miles annually

Has no motor vehicle violations/accidents within the past 3 years

Basic Policy:

Liability:

Property Damage: \$5,000

No optional Bodily Injury coverage

Personal Injury Protection (PIP): \$15,000

No physical damage coverage

Limited Right to Sue