



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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BULLETIN NO. 24-07

TO: ALL ADMITTED AND SURPLUS LINES INSURERS, SELF-INSUREDS AND RISK RETENTION GROUPS, ALL LICENSED PRODUCERS

FROM: JUSTIN ZIMMERMAN, ACTING COMMISSIONER

RE: NEW MINIMUM LIMITS OF LIABILITY INSURANCE COMMERCIAL MOTOR VEHICLE AND/OR AUTOCABS, P.L.2023, c.276

On January 16, 2024 P.L.2023, c. 276 (the "Act") was signed into law. The Act amended existing law to increase the minimum limits of liability insurance coverage that must be maintained by owners and/or operators of commercial motor vehicles registered or principally garaged (i.e., "based-plated" or "at home") in New Jersey engaged in intrastate commerce. The Department of Banking and Insurance (the "Department") is issuing this Bulletin to remind insurers of their obligations pursuant to the Act as set forth below.

The Act increases the minimum limits of liability insurance coverage the operator of a commercial motor vehicle as defined in N.J.S.A. 39:3-10.11 and/or an autocab as defined in N.J.S.A. 48:16-1 must maintain. The Act takes effect July 1, 2024 and applies to all insurance policies initiated on, or renewed after, this date. Thus, insurers must file any policy forms that need to be updated by June 24, 2024 and submit rate filings to implement the new minimum coverage amounts no later than July 31, 2024 to ensure compliance with the new law.

The Act provides the following increases in minimum limits of liability coverage. For commercial motor vehicles with a gross vehicle weight rating of 26,001 or more pounds and autocabs, the minimum limit of liability insurance coverage is increased to \$1,500,000.00 on account of injury to, or death of one or more persons in any one accident or for damage to property in any one accident ("combined single limit" coverage).

For commercial motor vehicles with a gross vehicle weight rating of 10,001 or more pounds, but not greater than 26,001 pounds, the minimum limit of liability insurance coverage is increased to \$300,000.00 on account of injury to, or death of one or more persons in any one accident or for damage to property in any one accident ("combined single limit" coverage).

The Act provides that an insured may satisfy these new minimum limits of liability insurance coverage by a commercial automobile insurance policy, fleet insurance policy,

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commercial umbrella insurance policy, commercial excess insurance policy, similar insurance policy, or any combination thereof.

Rate Filings

As noted above, all insurers issuing commercial automobile insurance policies in this State must have filed rates on file for the new minimum coverage limits in order to comply with the Act. Insurers that already have rates on file with the Department for coverage limits that satisfy the Act may issue policies using such approved rates and do not need to seek further approval. Insurers that offer both commercial motor vehicle and excess coverage limits to comply with the Act are not required to submit rate filings to implement the new coverage amounts. Insurers that chose to not offer excess coverage should submit their new \$1,500,000.00 rate filings to the Department no later than July 31, 2024 to ensure compliance with the new law. The intent of this guidance is to ensure that all insurers that offer commercial motor vehicle and/or autocab coverage either offer the new minimum coverage limits through their commercial motor vehicle coverage or offer the new limit through their commercial motor vehicle coverage and excess coverage. Additionally, to ensure the insureds are aware of the increase in minimum coverage limits, insurers and producers must inform the insured of the new minimum coverage limits.

All commercial automobile insurers should also update policy forms, if applicable, that reference minimum coverage limits to comply with the increases implemented by the Act. Any policy forms that need to be updated must be filed by June 24, 2024.

Please contact Carmen Williams with the Office of Property and Casualty Insurance carmen.williams@dobi.nj.gov with any questions regarding this Bulletin. The Department appreciates your cooperation.

05/24/2024
Date



Justin Zimmerman
Acting Commissioner