

Calculation of Maximum Expenses for Prior Approval/Limited Auto Rate and Excess Profit Filings:

Effective June 1, 2025 (including for 2025 Excess Profit Filings)

In accordance with N.J.A.C. 11:3-16.9(c), all insurers filing for Private Passenger Automobile rate revisions shall limit the historic expense provision for Commission and Brokerage, Other Acquisition Expenses, and General Expenses on a combined basis to the weighted average plus five percent of those companies that use the same marketing method as the filer. Companies with membership requirements or only write motorcycle, specialty, PAIP policies are excluded.

Written Premium volume and Commission and Brokerage Expense are based on data from the Statutory Page 14 Exhibit for New Jersey; Other Acquisition Expense and General Expense are based on direct countrywide data from Part 3 of the Insurance Expense Exhibit. Three years of data, 2022-2024, were analyzed. A weighted average by New Jersey Written Premium was calculated individually by year, and the three years were averaged to calculate a cap. Liability and Physical Damage data were analyzed separately.

All expense ratios were calculated as a percent of Direct Written Premium or Direct Earned Premium net of dividends, but gross of excess profits to reflect the reduced premiums of companies that consistently pay dividends.

	Expense Caps		
	<u>Direct Writers</u>	<u>Captive Agents</u>	<u>Independent Agents</u>
Auto Liability	17.6%	24.9%	27.2%
Auto Physical Damage	15.2%	24.6%	27.4%

Companies Included		
<u>Direct Writers</u>	<u>Captive Agents</u>	<u>Independent Agents</u>
New Jersey Manufacturers Ins Co	State Farm Indemnity Co	Drive New Jersey Ins Co
Progressive Garden State Ins Co	Allstate NJ Property and Casualty Co	St Paul Protective Ins Co
Government Employees Ins Co	Wausau Underwriters Ins Co	Palisades Safety & Ins Assoc
GEICO Indemnity Co	State Farm Guaranty Ins Co	Foremost Ins Co Grand Rapids
GEICO Secure Ins Co	High Point Property & Casualty Ins Co	Palisades Ins Co
Citizens United Reciprocal Exchange	Allstate NJ Ins Co	Farmers P&C Ins Co
GEICO Choice Ins Co	Peerless Indemnity Ins Co	Personal Service Ins Co
Amica Mutual Ins Co	High Point Safety & Ins Co	Selective Auto Ins Co of NJ
Farmers Casualty Ins Co	Liberty Mutual Fire Ins Co	Hanover Ins Co
American Family Connect PC Ins Co	Farmers Ins Exchange	Esurance Ins Co of NJ
21st Century Centennial Ins Co	Liberty Mutual Mid-Atlantic Ins Co	Fidelity & Guaranty Ins Co
Amica Property and Casualty Ins Co	Mid Century Ins Co	Harleysville Ins Co of NJ
Metromile Ins Co	United Farm Family Ins Co	Safeco Ins Co of America
Farmers Group P&C Ins Co	LM Insurance Corp	Encompass P&C Ins Co of NJ
GEICO Casualty Co	Liberty Mutual Ins Co	Atlantic Employers Ins Co
Electric Ins Co		Founders Ins Co
		Chubb Ins Co of NJ
		Cincinnati Ins Co
		Mercury Indemnity Co of Amer
		Privilege U/W Reciprocal Exch
		Mercury Ins Co of Illinois
		Farmers Direct P&C Ins Co
		New Jersey Skylands Ins Assoc
		AIG Property Cas Co
		Encompass Ins Co of NJ
		MIC General Ins Co
		Berkley Ins Co
		Vault Reciprocal Ins Co
		Crestbrook Ins Co
		Bankers Standard Ins Co