

PUBLIC NOTICE

BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF PROPERTY AND CASUALTY

Notice of Action on Petition for Rulemaking

Automobile Physical Damage Insurance Inspection Procedures

N.J.A.C. 11:3-36.4

Petitioner: Property Casualty Insurers Association of America

Authority: N.J.S.A. 52:14B-4(f) and N.J.A.C. 1:30-4.2

Take notice that on April 20, 2009, the Department of Banking and Insurance (Department) received a petition for rulemaking from the above petitioner. The petition requests that the Department amend its rules regarding Automobile Physical Damage Insurance Inspection Procedures so as to expand the circumstances under which an insurer may waive an otherwise mandatory inspection of a vehicle. In accordance with N.J.A.C. 11:1-15.3(a), the Department mailed to the petitioner, and filed with the Office of Administrative Law, a notice of receipt of the petitioner's request. The Department published the notice of receipt of the petition on June 1, 2009 in the New Jersey Register at 41 N.J.R. 2349(a).

Take further notice that pursuant to the N.J.A.C. 1:30-4.2 and 11:1-15.3, the Department determined that referral of this matter for further deliberation was necessary and, following deliberation, within 90 days, to finalize a notice of action on the petition for

rulemaking by the Property Casualty Insurers Association of America. The Department published the notice of action its deferring the Petition for Rulemaking for further deliberation on July 20, 2009 in the New Jersey Register at 41 N.J.R. 2805(b).

A copy of this public notice was mailed to the petitioner.

Take further notice that the Department duly considered the petition pursuant to law and, after due deliberation, has determined to deny the petition for rulemaking by the Property Casualty Insurers Association of America.

The petitioner stated that the basis for the request was improvements in technology, specifically, the availability of vehicle history reports. However, only one of the proposed changes to waivers of inspection permitted by the rule related to technology. The petitioner provided no explanation, for example, about why inspection should be waived if an insured meets the insurer's preferred tier or rating criteria.

In reviewing the changes requested by the petitioner, the Department has identified other provisions in the rule that may need to be amended. Before proceeding to propose specific amendments, the Department has determined that it is advisable to solicit input from interested parties that may be affected by such amendments. Therefore, the Department has concluded that the best course of action is to publish a notice of pre-proposal of changes to the rule that will identify the issues raised by the current rule that have been noted by the Department and invite public comment on how this rule should be amended. The pre-proposal will be published in a future New Jersey Register.

A copy of this public notice has been mailed to the petitioner.