

INSURANCE  
DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF INSURANCE

Eligible Persons Qualifications  
Automobile Insurance Eligibility Points Schedule

Adopted Amendments: N.J.A.C. 11:3-34.4, and 34.5 and 11:3-34 Appendix,  
Schedule 1

Proposed: November 6, 2006 at 38 N.J.R. 4624(a)

Adopted: November 5, 2007 by Steven M. Goldman, Commissioner, Department of Banking and  
Insurance.

Filed: November 7, 2007 as R. 2007 d.373, **without change**.

Authority: N.J.S.A. 17:33B-13 and 14, 39:3-40 et seq., 39:4-139.10 and 39:6A-1.1 et seq.

Effective Date December 3, 2007

Expiration Date June 7, 2011

**Summary** of Public Comments and Agency Responses:

The Department of Banking and Insurance (Department) received written comments from the following: Stephen G. Carrellas, P.E., New Jersey Chapter Coordinator, National Motorists Association; and Deborah A. Wean, CPCU, Assistant Secretary, New Jersey Manufacturers Insurance Group.

**COMMENT:** The commenter supports the adopted amendments as they will remove a conviction for violating N.J.S.A. 39:4-40i from the list of statutory violations that accrue insurance eligibility points and help clarify the difference between violation points and at-fault points.

**RESPONSE:** The Department appreciates the expression of support for this adoption.

**COMMENT:** The commenter states that the Department failed to explain the basis for the assumption, or offer proof or data to support the conclusion that a driver's failure to pay parking tickets does not necessarily make that person a higher insurance risk and that insurers will benefit from the proposed amendments by setting rates consistent with the actual risk posed by their insureds. The commenter notes that its research demonstrates just the opposite -- that administrative suspensions, a large proportion of which are parking related, are a strong predictor of future losses. The commenter contends that companies must have access to rating factors, such as the one that the Department seeks to eliminate here. The commenter further notes that while the Motor Vehicle Commission has begun identifying the offense of driving while suspended for failure to pay parking fines using code "340i," it has misapplied this code to the non-payment of insurance surcharges as well. The commenter is, therefore, opposed to the proposal.

**RESPONSE:** The Department does not agree with the commenter. The proposed amendment only apply to the accrual of insurance eligibility points, which determine whether an insured can purchase insurance in the voluntary or residual markets. Because the Legislature has determined, through its enactment of N.J.S.A. 39:4-40i, that driving while suspended for failure to pay parking tickets is a less serious offense than driving while suspended for other reasons, the Department has concluded that this type of parking ticket offense does not merit the imposition of nine insurance eligibility points, the result of which is to automatically place an insured into the residual market. With regard to the alleged misapplication of the "340i" code, the Department suggests that the commenter contact the Motor Vehicle Commission on that concern, as it is beyond the scope of this proposal.

Federal Standards Statement

The adopted amendments do not contain standards or requirements that are the subject of any Federal requirements or standards.

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