



December 14, 2004

## New Jersey Homeowners Rate Revision Approval Reminder

- Background** As previously announced on November 1, 2004 the Homeowners rate revision filed on August 24, 2004, for an overall rate increase for Homeowners averaging 9.9% was approved with conditions. The filing included a rate increase of 11.8% for MHO 3, a decrease of 6% for MHO 6, a decrease of 20% for MHO 4, and a change in the base deductible from \$200 to \$500.
- Department Approval** The Commissioner of the New Jersey Department of Banking & Insurance has approved the filing as submitted with conditions:
1. Any company not adopting this rate change must notify the department in writing of their intention to non-adopt or delay adoption.
  2. The Department is requiring companies adopting this change to notify their insureds of the rate increase sixty (60) days before the implementation date. They site the requirements of N.J.A.C. 11:1 - 45.1, et. seq. Notice to Policyholders of Consumer Insurance Rate Increases.
  3. The company adopting the change must send a letter indicating the rate effect and the number of Homeowners exposures impacted and must file revised manual pages at least twenty (20) days before implementation.
- Effective Date** March 1, 2005.
- MSO Action** The revised NJ rate pages are available on the web and the next CD-ROM.
- Company Action** Each company must decide if they are going to adopt, delay adoption or not adopt this revision and must then notify the department of their intent or instruct MSO to act in your behalf.
- Note: The DOBI will assume the company has adopted the change on the effective date unless advised otherwise.*
- Any company adopting this change must notify their insureds (by mail or e-mail) of the intent to adopt the revision 60 days before implementation.
- Questions** Contact James W. Townley, CPCU President & CEO at [jtownley@msonet.com](mailto:jtownley@msonet.com).