



October 16, 2007

NJ COMMERCIAL AUTO MANDATORY ENDORSEMENT REVISED TO PROHIBIT UM STEP-DOWN

BACKGROUND	<p>Senate Bill 1666 was enacted on September 10, 2007. This new law eliminates the UM step-down condition for employees under the Uninsured and Underinsured Motorists Coverage. We amended endorsement MCA 820 (Ed. 10 07) to incorporate the needed changes. We revised Section D - Limit of Liability of MCA 820 to indicate that the various step-down provisions do not apply to employees.</p> <p>We also revised the manual rules to clarify that endorsement MCA 825 is only intended to be added to policies which provide no-fault coverages. MCA 825 is not to be attached to policies which do not provide no-fault (those insuring only commercial autos).</p>
MSO® ACTION	<p>We filed and have now received approval of these changes.</p>
EFFECTIVE DATE	<p>October 15, 2007.</p>
COMPANY ACTION	<p>You should interpret outstanding policies to include the revised step-down provisions as of the enactment of the law.</p>
POLICYHOLDER NOTICE	<p>As this change is not a restriction in coverage, but a broadening, a policyholder notice is not required.</p>
DISTRIBUTION	<p>The revised endorsement MCA 820 and manual page will be added to the CD-ROM.. Affiliated companies can access them through our website: www.msonet.com</p>
QUESTIONS	<p>Contact Jan Kozlowski at (800) 935-6900.</p>