



October 31, 2007

NEW JERSEY ISSUES BULLETIN ON AUTO PHYSICAL DAMAGE CLAIMS PRACTICES

- BACKGROUND** The New Jersey Department of Banking and Insurance recently issued Bulletin 07-20 regarding auto physical damage claims practices. The Department has determined that some insurers are using outdated methods to provide allowances for paint and material costs.
- COMPANY ACTION** The Department states that insurers are expected to provide repair allowances that are sufficient to restore damaged vehicles to their pre-accident condition.
- DEPARTMENT ACTION** The Department will monitor insurer claim practices to confirm that repair allowances are sufficient. As complaints are received, the Department will conduct appropriate review during the market analysis and market conduct examination process.
- AVAILABILITY** Bulletin 07-20 may be accessed on the NJ DOBI's website at: http://www.state.nj.us/dobi/bulletins/blt07_20.pdf.
- QUESTIONS** Contact Jan Kozlowski at (800) 935-6900.