



December 12, 2003

**NEW JERSEY PRIVATE PASSENGER AUTOMOBILE  
INSURANCE LEGISLATION  
PERSONAL INJURY PROTECTION REVISION APPLICABILITY**

**BACKGROUND**

In June 2003, the New Jersey Department of Banking and Insurance issued a bulletin (No. 03-14) describing changes to the private passenger automobile insurance requirements. These changes were outlined in legislation effective June 9, 2003.

As a result of this legislation, the question has been raised as to whether it also applies to the commercial automobile line of business. Among the changes, as stipulated in sections 36 and 37 of the legislation, are the requirements that insurers revise manual rules and buyers' guides to reflect coverage limits for Personal Injury Protection (PIP) above \$75,000 up to \$250,000. As part of the legislation that is to become effective January 1, 2004, insurers must assume the risk for medical expense benefits limits above \$75,000 up to \$250,000 which is the result of the elimination of the reimbursement function of the Unsatisfied Claim and Judgement Fund.

**MSO<sup>®</sup> ACTION**

Currently the MSO Commercial Auto manual does not display PIP coverage limits lower than \$250,000. It is our current position that until there is further clarification on the applicability of this legislation to commercial automobile, no changes will be made to the MSO manual.

**QUESTIONS**

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