



April 26, 2005

## **NEW JERSEY PRIVATE PASSENGER AUTO TERRITORIAL RATING PLAN REGULATION ADOPTED**

### **BACKGROUND**

The Department of Banking and Insurance has adopted the proposed regulation dealing with the private passenger auto insurance territorial rating plan that was issued in 2004. The adopted regulation includes several changes not requiring additional public notice and comment.

The regulation proposes that the Automobile Insurance Territorial Rating Plan Advisory Commission will develop a common territory map with relativities and file this with the Department. The regulation allows insurers to use the common map, the map approved for the rating organization of which it is a member, or its own map as approved by the Department.

The regulation provides the standards for establishing territories. Territories are to be defined by zip codes. Each territory must have at least 20,000 exposures according to the total database used by the Advisory Commission.

### **APPLICABILITY**

The territory map requirements do not apply to commercial auto insurance. However, traditionally commercial auto territories followed the same definitions as used for personal auto.

### **MSO<sup>®</sup> ACTION**

We will continue to monitor the actions taken with the territory maps. We will review the common territory map, once it is distributed, and other filings to determine how the commercial auto territory definitions will be affected.

### **AVAILABILITY**

The 2004 proposed regulation may be accessed on the DOBI's website at [http://www.state.nj.us/dobi/proposed/pn04\\_327.pdf](http://www.state.nj.us/dobi/proposed/pn04_327.pdf).

The adopted regulation (NJAC 11:3-16A) is also available on the DOBI's website at <http://www.state.nj.us/dobi/proposed/ad050323.pdf>.

### **QUESTIONS**

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