



December 15, 2005

NEW JERSEY RESTORES THE DEPARTMENT OF THE PUBLIC ADVOCATE FOR PERSONAL LINES COVERAGES

BACKGROUND

The Commissioner of the Department of Banking and Insurance issued Bulletin No. 05-27 on December 13, 2005 announcing the restoration of the Department of the Public Advocate as a principal department within the Executive Branch of State government.

BULLETIN REQUIREMENTS

The Bulletin is part of an “Act” (P.L. 2005, C.155), which establishes a Division of Rate Counsel within that Department which may represent and protect the public interest in prior approval rate increase proceedings for personal lines property casualty coverage or Medicare supplemental coverages. The Division of Rate Counsel, however, will not have authority to participate or intervene in expedited prior approved rate filings made by insurers, prior approved rate filings of 7% or less, or rule or form filings for any other form of insurance.

The Bulletin is also intended to outline the effect of the Act on the Department’s policies and rules governing policyholder notices for personal lines by mandating the following time frames for the issuance of certain notices related to rate filings:

- Effective January 17, 2006, consumer notices will only need to be sent on personal lines prior approval rate filings that result in an overall increase of over 7%.
- The time frame for companies to send notice is revised from 10 to 7 business days from submission of the filing to the Department.
- The time frame for Rating Organizations to publish notices in the local newspapers and on their websites is revised from within 10 to within 7 business days from submission of the filing to the Department.
- Companies and Rating Organizations will need to provide a copy of all personal lines prior approval rate filings of over 7% to the Division of Rate Counsel. An address will be provided at a later date.

BULLETIN REQUIREMENTS (cont’d.)

The Department will be providing additional information at a future date regarding the annual insurance assessments that will be implemented in order to cover the expenses incurred for the functions of the Division of Rate Counsel.

**EFFECTIVE
DATE**

January 17, 2006

**COMPANY
ACTION**

Companies contemplating future personal lines rate adjustments should consider limiting their rate increase filings to 7% or less, if possible.

AVAILABILITY

DOBI Bulletin No. 05-27 may be accessed on the Department's website at www.state.nj.us/dobi/bulletins/blt05_27.pdf.

QUESTIONS

Contact Dennis Carrigan at (800) 935-6900 or e-mail: dcarrigan@msonet.com.