

New Jersey Property-Liability Insurance Guaranty Association

Statutory Administrator For
New Jersey Surplus Lines Insurance Guaranty Fund
New Jersey Medical Malpractice Reinsurance Association
Unsatisfied Claim and Judgment Fund
New Jersey Automobile Full Insurance Underwriting Association
Market Transition Facility of New Jersey

59-63 Mine Brook Rd.
Bernardsville, NJ 07924
Tel: 908.953.9533
Fax: 908.953.9606

www.NJGuaranty.org

TO:

SAMPLE INSURANCE COMPANY (NAIC# 12345)
100 MAIN STREET
ANYTOWN, NJ 08889
ATTN: Guaranty Fund Assessment Department

FROM: Joseph DellaFera, Executive Director

RE: True-Up of 2002, 2003 DOBI UCJF Assessments
2004 NJPLIGA UCJF Assessment

DATE: July 30, 2004

With the passage of P.L. 2003, C.89 the administration of the Unsatisfied Claim and Judgment Fund was transferred from the Department of Banking and Insurance to the New Jersey Property-Liability Insurance Guaranty Association (NJPLIGA). As the statutory administrator for the UCJF, the Board of Directors of NJPLIGA has authorized the following:

As required by N.J.S.A. 39:6-63(d), the UCJF's 2002 Assessment for FY 2003 has been trued-up, which is reflected on the attached Schedule A. The UCJF's 2002 Assessment for FY 2003 was 5.0% of \$3,509,758,843, the estimated automobile liability net direct written premium (NDWP) for 2001. Since the actual automobile liability NDWP for 2002 was \$4,248,879,171, the trued-up FY Assessment rate is 4.1110724%. The UCJF's trued-up Assessment for FY 2002 of your company is \$X,XXX.xx (4.1110724% of \$XX,XXX.xx , your company's actual 2002 automobile liability NDWP). Since the UCJF's initial 2002 Assessment for FY 2002 of your company was \$X,XXX.xx , your company's net adjustment for that year is (\$XXX.xx).

Likewise as required by N.J.S.A. 39: 6-63(d), the UCJF's 2003 Assessment for FY 2004 has been trued-up, which is also reflected on the attached Schedule A. The UCJF's 2003 Assessment for FY 2004 was 5.0% of \$4,032,997,640, the estimated automobile liability NDWP for 2002. Since the actual automobile liability NDWP for 2003 was \$4,628,409,609, the trued-up FY Assessment rate

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is 4.3567836%. The UCJF's trued-up Assessment for FY 2003 of your company is \$XX,XXX.xx (4.3567836% of \$XXX,XXX.xx , your company's actual 2003 automobile liability NDWP). Since the UCJF's initial 2003 Assessment for FY 2003 of your company was \$X.xx , your company's net adjustment for that year is \$XX,XXX.xx .

The Board of Directors of NJPLIGA, in accordance with N.J.S.A. 39:6-63 (d), has calculated the 2004 NJPLIGA UCJF Assessment to be 0.20% (twenty basis points) of \$4,628,409,909, the actual 2003 automobile liability NDWP, which will generate \$9,256,819 for the UCJF. NJPLIGA's 2004 UCJF Assessment of your company is \$XXX.xx , (0.20% of \$XXX,XXX.xx , your company's actual 2003 automobile liability NDWP) as reflected on the attached Schedule B.

Therefore, your company's net assessment balance is \$XX,XXX.xx as reflected on the attached Assessment Summary Exhibit.

All net assessment payments must be remitted to the Association no later than September 15, 2004. **You need only remit a payment if the Assessment Summary indicates a net balance due to PLIGA.** Checks should be payable to the "New Jersey Property-Liability Guaranty Association". Please note your company's NAIC number on the check, include a copy of your assessment summary and the name, address and telephone number of the contact person for your company. Your payment should be mailed to the following address:

NEW JERSEY PROPERTY-LIABILITY INSURANCE GUARANTY ASSOCIATION
UCJF ASSESSMENT
59-63 Mine Brook Rd.
Bernardsville, New Jersey 07924

All net refunds on credit balances will be issued no later than September 30, 2004.

Please refer to our website (www.njguaranty.org) for NJPLIGA Bulletin 2004-002, contact Keya Rakhit, (908)953-9533 ext. 511 or e-mail us at mail@njguaranty.org, if you have any questions.

Thank you.

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ASSESSMENT SUMMARY

Billing Date: July 30, 2004

SAMPLE INSURANCE COMPANY (NAIC# 12345)
100 MAIN STREET
ANYTOWN, NJ 08889

Schedule	Description	Balance
A	True-Up of 2002, 2003 DOBI UCJF Assessments (UM & EMB)	\$XX,XXX.xx
B	2004 NJPLIGA UCJF Assessment (only UM and Pedestrian PIP)	\$XXX.xx
	Net Balance Due to PLIGA no later than Sept 15th, 2004	\$XX,XXX.xx

Note:

- 1) Payments are expected no later than Sept 15, 2004
- 2) Refunds on credit balances will be issued no later than Sept 30, 2004

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SCHEDULE A

True-Up of 2002,2003 DOBI UCJF Assessments (UM & EMB)

Billing Date: July 30,2004

SAMPLE INSURANCE COMPANY (NAIC# 12345)
 100 MAIN STREET
 ANYTOWN, NJ 08889

	Description		Calculations	Balance
	Opening Balance as of 1/1/04			\$X.xx
2003	Assessment – True Up			
Assess.	2003 Actual NDWP		\$XXX,XXX.00	
FY 2004	2003 Revised Assessment Rate	X	0.043567836	
	2003 Trued Up Assessment		\$XX,XXX.xx	
	2003 Initial Assessment		\$X.xx	
	2003 True Up Accounting. Adjustment		\$XX,XXX.xx	\$XX,XXX.xx
2002	Assessment – True Up			
Assess.	2002 Actual NDWP		\$XX,XXX.xx	
FY 2003	2002 Revised Assessment Rate	X	0.041110724	
	2002 Trued Up Assessment		\$X,XXX.xx	
	2002 Initial Assessment		\$X,XXX.xx	
	2002 True Up Accounting Adjustment		(\$XXX.xx)	(\$XXX.xx)
	Current Balance Due to PLIGA			\$XX,XXX.xx

Note:

- 1) The accounting treatment for these trued up assessments should be consistent with your accounting treatment in previous years for the initial assessment.
- 2) These monies are not recoupable (previously they may have been included in your rates).
- 3) Payments are expected no later than Sept 15, 2004
- 4) Refunds on credit balances will be issued no later than Sept 30, 2004

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SCHEDULE B

2004 NJPLIGA UCJF Assessment (only UM & Pedestrian PIP)

Billing Date: July 30, 2004

SAMPLE INSURANCE COMPANY (NAIC# 12345)
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 ANYTOWN, NJ 08889

	Description	Calculations	Balance
2004	Assessment		
Assess.	2003 Actual NDWP	\$XXX,XXX.xx	
	2004 Assessment Rate	X 0.002	
	Initial Assessment	\$XXX.xx	
	Current Balance Due to PLIGA		\$XXX.xx

Note:

- 1) We would suggest you seek auditor guidance as to the appropriate accounting treatment for this assessment.
- 2) These monies are not recoupable, but may be considered in the rate making process.
- 3) Payments are expected no later than Sept 15, 2004.